IMT Nuremberg Archives

H – 132

International Court of Justice

H0132 - 0002

Official transcript of the International Military Tribunal in the matter of: The United States of America, the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics, against Hermann Wilhelm Goering et al, Defendants, sitting at Nurnberg, Germany on 15 May 1946, 1000-1300. Lord Justice Lawrence presiding.

MR DODD: Mr. President we are prepared to have the witness Puhl. Perhaps I misunderstood --

THE PRESIDENT: Oh, yes.

EMIL JOHANN RUDOLF PUHL, a witness, took the stand and testified as follows:

BY THE PRESIDENT:

Q Will you state your full name?

A Emil Johann Rudolf Puhl.

Q Will you repeat this oath after me:

I swear by God the Almighty and Omniscient that I will speak the pure truth and will withold and add nothing.

(The witness repeated the oath)

DIRECT EXAMINATION

BY DR. SAUTER:

Q Witness Puhl, sometime ago you were the vice president of the Reichsbank?

A Yes.

Q If I am correctly informed then, you were a member of the Directorate of the Reichsbank at the time when Dr. Schacht was there?

A Yes.

Q When Dr. Schacht left, you were on of the few gentlemen who remained in the Reichsbank?

A Yes.

Q And then, following a suggestion by the Defendant Funk, Hitler made you the the acting vice president of the Reichsbank?

A Yes.

Q When was this?

A That was during theyear of 1939.

H0132-0003

I see, '39. You stated that you were acting vice president. I presume that this was due to the fact that the Defendant Funk wasn't a banking expert whereas you were, and that Defendant Funk, apart from that, was also in charge of the Reich Ministry for Economics?

A Yes, but there was another reason which was decisive, and that was the separation of the powers who were handling the business and who were handling personnel.

Q The actual conduct of the business, therefore, was your job, wasn't it? Thus the name of Acting Vice President?

A Yes, but may I make a few statements on that?

Q Yes, but only if it is necessare in the interest of our case.

A Very well. The conducting of the business of the Directorate of the Reichsbank was divided up amongst a number of members of the Directorate. Every member had full responsibility for his sphere. The Vice President was only the figure head, whose main job was to be in the chair during the meetings and to present the President on any important occasions; and also he had to deal with the economic and bank policy.

Q Witness, the present Defendant Funk, as early as December, has referred to you as one of his witnesses. You know that, don't you? And Accordingly, you were questioned at the camp where you are now residing, at Baden-Baden?

A Yes, at Baden-Baden.

Q On the 1st of May?

A Yes.

Q And two days later you were again interrogated?

A Yes.

Q That was on the 3rd of May?

A Yes.

Q Do you know why these matters which you were asked about on the 3rd of May weren't dealt with during the interrogation on the 1st of May?

A I have before me here the affidavit dated the 3rd of May.

Q That deals with these businesses with the SS, doesn't it?

H0132 - 0004

A Yes. But I was also questioned on the 1st of May, but only very briefly. On the 3rd of May they came back to ask more thoroughly regarding this subject.

Q During your interrogation on May the 1st those businesses of the Reichsbank were not talked about, were they?

A Yes.

Q Did you mention them?

A A short statement was compiled.

Q You mean during the interrogation of May the 1st?

H0132 - 0005

A Yes. At any rate, during the interrogation on the 3rd of May a thorough record was prepared of matters which had briefly been touched on before.

Q I have got your interrogation of May the 1st before me. I read through it today and nothing is mentioned regarding the businesses with the SS. As far as I can see, there is nothing in it about that. The matter you are now mentioning must have been a further interrogation?

A Yes.

MR. DODD: Mr. President, I think perhaps I can be helpful in this apparent confusion. The interrogatory which was authorized by the Tribunal was taken on the 1st of May, but on that same day, and independent of these interrogatories, a member of our staff also interviewed this witness. But it was a separate interview. It wasn't related to the interrogatory, and I think that is the source of the confusion.

THE PRESIDENT: Very well.

BY DR. SAUTER:

Q These businesses with the SS, were you interrogated about them twice?

A During the days about the 1st of May, yes, twice.

Q Have you got the affidavit which you made on the 3rd of May, according to your recollection?

A Yes.

Q That is the affidavit which deals with this business with the SS?

A Correct.

Q Is it true, what you have said in that affidavit?

A Yes.

Q Witness, since the 3rd of May have you been once more interrogated about this matter?

A Yes, here in Nurnberg.

Q When was that?

A During these last few days.

Q I see. Today is Wednesday. When was this?

A Friday, Monday, Tuesday -- yesterday.

H0132-0006

Q Regarding this very matter?

A Yes.

Q Has someone shown you a film yet?

A Yes, once or twice -- once.

Q Had you seen that film before?

A No.

Q The matters shown in that film, did you recognize them quite clearly?

A Yes.

Q The reason why I am asking you, Mr. Puhl, is because, as you know, the film takes place very quickly and it is a very short film, and for that reason the prosecution showed it twice in this Court room so that the pictures shown in this film could be recognized reliably. Did the single showing of that film make it possible for you to become clear about the subject of the film?

A Yes.

H0132 - 0007

A Yes.

Q In that case will you tell me what you have seen?

A Well --

Q Only what you have seen in the film, or what you think you have seen in the film.

A Yes. The film was taken outside the steel safes of our bank at Frankfurt-on-Main. The other safes were shown behind the glass doors. They were the locked cases and containers which had been apparently found there. It was a usual picture which such strong-rooms would present. Before these safes there were several containers which were opened, of which one could see, roughly, what the contents were -- pearls, jewels, bank-notes and watches.

Q What sort of watches?

A Large alarm clocks.

Q Didn't you see anything else in the film?

A Apart from these things, you mean?

Q Well, apart from these valuables, didn't you see anything else that might have been kept there?

A No, only these valuables.

Q Please go on.

A On that occasion I noticed that in addition to these valuables there were coins, apparently silver coins, and also that amongst these valuables there were bank-notes, apparently American bank-notes. It was astonishing that these things were given to us for safe-keeping, because if they had been known to our officials then no doubt there would have been a surrender of the bank-notes to the foreign currencies department since, as you know, there was a general order to hand over foreign currency. But apart from that it was known to our officials that foreign bank-notes particularly were extremely rare and sought after. Something similar applies to the coins. They, too, really ought to have been handed over to the currency accounts, that is to say, they should have been purchased through the accounts of the Reich.

Q That is what you noticed, is it?

A Yes.

Q And didn't you notice anything else?

A No.

H0132 - 0008

Q Witness, in that manner valuable articles were supposed to have been kept in the Reichsbank, valuables which had been given to the Reichsbank for safekeeping. And now I have been asking myself whether your Reichsbank might really deal with valuables and in safe-keeping by looking after them in such a manner as you have seen from that film. That is why I am interested in the question. Do you know, as the acting vice-president of the Reichsbank, how, for instance, in Berlin or how in Frankfurt where this film was taken, such goods were meant to be kept in the strong-rooms and such valuables?

A Yes.the picture of the safe installments in Berlin were similar to that in Frankfurt as it would probably be in any large bank. These matters which we called closed deposits were kept in closed containers for which we made room, and that space was paid for in accordance with its size.

Q For instance, in Berlin, or let's say in Frankfurt, were these matters kept just as it was apparent from that film?

A In the case of the film I had the impression that the matters -- the things -- which we are now talking about had been put there particularly for the purpose of being photographed.

Q You perhaps recollect that, for instance, there might have been a sack which was shown which had the inscription, "Reichsbank, Frankfurt."

A I can say that I did see a sack which had the word, "Reichsbank", on it. I am not sure whether it stated "Reichsbank" Frankfurt," on it, but I know it had "Reichsbank" on it, and that is why I thought the film was taken in Frankfurt, which is something the Prosecution had confirmed --

MR. DODD: There have been two mistakes of some slight importance already. We didn't show the film twice before this Tribunal and that bag doesn't bear the legend, "Frankfurt." It simply says, "Reichsbank." And it was Schacht film that was shown twice here, because it moved rather quickly.

Q Witness, in replying will you please continue to reply to my questions. My question is this: Did the Reichsbank have gold and such things in such sacks as this?

A The way I understand the question is, if persons would deposit anything with us then their things would be deposited in sacks, is that what you meant to ask?

Q I don't know how you handle them --

H0132 - 0009

A The way we handle them is -- the name says that we had closed deposits. Of course, that can be a sack which is closed; that is perfectly possible.

Q Well,what I saw in banks in Munich, Witness, was that things which were being deposited in an increased measure during the war were always kept in closed boxes or cases so that generally the bank wouldn't know at all what might be contained in the cases or boxes. Was that different with you?

A No, it was just the same, and the remarkable thing about this sack is that it bears the word, "Reichsbank." Quite obviously that must be one of our sacks and not a sack belonging to a third party.

Q So that if I may repeat this, to avoid any doubt, you too would look after such closed deposits by keeping them in some closed container?

A Yes.

Q Or they went to the safe or strong-room.

A The "or", Mr. Counsel, might be misleading. Closed containers went to the tresor, the safe room. There you found steel chambers where these containers or boxes were deposited. And quite independent from that arrangement, we had the arrangement of so-called "open deposits." They were such deposits where right from the beginning an administration of the goods had been arranged, and these safes were in quite a different part of the building from the so-called main safe

Q These open deposits don't apply to our case, do they?

A No.

Q Now, I shall come to the deposit of the SS. That deposit -- or these deposits weren't in Frankfurt but presumably in Berlin at the central department.

A Yes.

Q Now, I should like you to tell me about the discussions the Defendant Funk had with you regarding the deposits of the SS and to give me information about it. Witness, I should like to ask you to think very carefully about every answer and to examine your recollection every time you give an answer. Of course, I shall give you necessary time. First of all, I shall ask you, what did you and the Defendant Funk discuss when for the first time you were talking about this deposit of the SS?

A I am referring to my affidavit of the 3rd of May in this connection. The talk I had with Mr. Funk was extremly simple. It dealt with the fact that the SS had asked that they might use the arrangements in our Bank regarding deposits of

H0132 - 0010

valuable articles for which -- as it was said, they hadn't sufficient space in the cellars of their houses. Perhaps, so as to complete the story, I may add that "SS" always means the economic department of the SS in this connection.

Q What did Funk talk about at the time? Please, will you tell me whether he said exactly what should be kept?

A He mentioned valuables which the SS had brought in from Eastern Territories and which were now in their cellars and for which the SS desired safe-keeping to be carried out by us.

Q But the Defendant Funk, did he tell you in detail what these valuables were?

A No, not in detail, but generally he said that they were valuables like gold, or silver, jewels and foreign currencies.

Q Gold, jewels, silver. I see.

A And may I add that gold and foreign currencies were, of course, to be surrendered to the Reichsbank in any case.

Q Gold or currency or jewels. I see. And that was supposed to be confiscated in the Eastern Territories?

A Yes.

Q Did the Defendant Funk tell you anything more in detail at the time as to why this confiscation had been carried out or whose articles they were that had been confiscated?

A No, that wasn't mentioned. The talk, as I already said, was brief, and then it was interrupted.

Q What did you reply?

A I said that this sort of business, since it was coming from the SS, was at least uncomfortable for us, and I stated that I had objections. And perhaps I may add here that in connection with such matters we were always rather reticent about such matters, particularly when they were matters which had to be dealt with by the foreign currencies department, customs department, or whenever any such official came to us.

H0132-0011

Q What was the actual reason why you had objections, particularly to the case of the SS?

A Because it was impossible to know what results and conclusions such a business connection might produce.

Q But, witness, that answer isn't sufficient for me. Does it mean -- it is connected with the fact that you or the defendant Funk didn't want to have anything to do with the SS at all or was there some other reason why you stated objections?

A Yes. The first part of your question must be answered with "no". A principal opposition didn't exist; it couldn't exist because, after all, every German organization or institution had the legal right to use the services of the Reichsbank. These special affairs and matters, however, which were confiscated, were similar to the confiscations carried out by the foreign currency department for instance, and they were uncomfortable because one never knew just what the far-reaching effects might be.

Q So that, if I understood you correctly, that you had certain objections which you voiced. Please correct me if I state this wrongly. You raised objections because this sort of business might be somewhat uncomfortable for the Reichsbank and because it wasn't within the normal type of business you were doing and because you weren't any more keen on it than, for instance, you were keen on deposits made by the customs authorities or foreign currency authorities, which were confiscated; is that the reason?

A Yes. But this conversation of our will have to be continued a bit more. It was said, you see, that one ought to assist the SS in handling the things which they were depositing. It was clear from the beginning, and it had been said that foreign currency, and I think also stocks and shares and gold coins and such, were contained in these deposits and that the SS people didn't quite know how to deal with these things.

Q Did these articles arrive afterwards?

A Yes; but then there was an intermediate situation which you must talk about. This conversation has been finished; and now the head of the economic department of the SS, whose name was Pohl --

Q Obergruppenfuehrer Pohl?

H0132 - 0012

A Yes, Obergruppenfuehrer Pohl. He came to me. I asked him to come to my office, and there he told me, or repeated something which I had already known -- he told me that he would like to see if we would as soon as possible take over these valuables.

Q And what did you say?

A I confirmed what was discussed and I said "Please, will you name the officials from your department and I shall inform our department and they can discuss the technical details of the deal."

Q And, if I may fill in the gap, what did the defendant Funk say? You've just mentioned, in connection with the first conversation, that you didn't want to take these things over because one might have a lot of trouble with such things

A This became subject to the somewhat wider conception of things which meant helping the SS, particularly -- and this must be emphasized -- since the matters were coming in for the account of the Reich.

Q Was anything mentioned regarding the fact that these things particularly gold, should be utilized by the Reichsbank; let's say melted down?

A No, no, not in detail. It was merely said that the officials of the Reichsbank would offer their good services to the SS.

Q But I don't quite understand you. The good services mean that officials from the Reichsbank would take care of these valuables and would lock them away?

A Yes.

Q Were the services of your officials gone beyond that?

A Yes, they were. They should because the SS people were to arrive and they would remove from the containers whatever was due to be surrendered.

Q You mean, for instance gold coins?

A Yes.

Q Foreign currency?

A Yes.

Q I see, and all that.

So as to come back to the question I've already put, did you see what arrived? Did you see what the SS actually delivered?

A I, personally, no. This episode happened far from my office and in quite a different building downstairs, in the strong-rooms where I, as vice president wouldn't normally go at all.

H0132 - 0013

Q As vice president did you go frequently into these safe-rooms or strong-rooms?

A It was a habit of mine to go occasionally, perhaps sometimes

H0132 - 0014

every three months or even more seldom, and to walk th rough the strong-rooms whenever there was cause for that, say, for instance, when a visitor had to be conducted or when some new installation was to be discussed; when, in other words, something happened which would go beyond the normal business of the cashiers and strong-room personnel.

Q But you had nothing to do with that part of the Reichsbank as vice president?

A Of course not, no.

Q And the same question witness, I want to put with reference to defendant Funk to you. Defendant Funk, who, in addition to everything else, was only half working in the Reichsbank, did he often go to the strong-rooms; if so, how often and for what reasons, and would he have seen what had been handed in by the SS?

A The answer to that one is that occasionally Funk, too, would have gone to the safes, also on some special occasion, for instance, foreign visitors, or some such matter; how often is something I can't know. And whether he's seen the SS depositing something, I can't know either. It depends on whether the cashiers who were taking him around had pointed it out to him.

Q And, witness, did you, yourself, see the things which came from the Reichsbank -- I beg your pardon, I didn't mean Reichsbank; I meant the SS Did yousee them yourself?

A No, never.

Q Did you believe that defendant Funk had seen them?

A Well, I can't, of course, know that, but it depends on whether the cashiers pointed out particularly that there is the deposit of the SS.

Q Well, then, perhaps if I guess correctly, then you can't give us any information regarding how these SS matters were being kept, where they were stored or where their boxes were?

A No, I don't know that.

Q Did you talk about this whole business of the SS deposit more often, still more frequently, to Funk?

A As far as I can remember, hardly, but it's probably the case that I

H0132 - 0015

would talk to him a second time, after Pohl had been in to see me. It was, of course, my duty and my task to inform Mr. Funk about everything that happened.

Q Were there discussions amongst the directors of the Reichsbank and was any special significance attached to it so that one might have had any cause to discuss this affair more frequently, or was that just an unpleasant sort of sideline?

A No. During meetings of the directorate there were reports at the beginning about this matter, but that wasn't mentioned again.

Q And you can, therefore, not recollect that later on you talked about it to Funk again but, if I understand you correctly, then it might be that, after the talk you had with the SS Obergruppenfuehrer Pohl, you briefly referred to the matter again? Have I understood you correctly?

A Yes.

Q Now, witness, in your affidavit you are saying that amongst the articles whichhad been deposited by the SS -- this is under figure 5 by the way -- there were Jewelry, watches, spectacle frames, gold fillings, apparentl gold fillings means teeth or something like that, and other articles in large quantities, which the SS had taken away from Jewish victims in concentration camps and some other persons. How do you know that?

A I know that from my interrogation at Frankfurt.

Q Apparently you know it, therefore, because when you were interrogated in Frankfurt and after you had been apprehended you were told this?

A It was shown to me.

Q I see, it was shown to you. Earlier, as long as you were free and as long as you were vice president of the Reichsbank, you didn't know that?

A No. And I want to repeat it again. We in the directorate never discussed the matter because it wasn't of any political currency or bank political significance.

Q Witness, if at that time in 1942, you had known that these were articles which the SS had taken away from numerous concentration camp victims, would you have taken care of these things?

A No, but in that case we would have brought about some decision

H0132 - 0016

regarding the attitude of the bank as a whole which should be adopted.

Q Who would have made the decision?

A The directorate of the Reichsbank as a body, and that decision would have been put before the president for his signature.

Q Have you any idea -- you see, earlier -- this is something I must first of all deal with -- earlier on your affidavit is not expressed very clearly -- you see, earlier you had said that you had knowledge of this because the SS personnel tried to change this material for cash; today you are saying that you only heard about it after you were taken prisoner. Apparently, if I understand you correctly, there must be --

THE PRESIDENT: Dr. Sauter, I do not understand why you say earlier. It is the sentence whichfollowed the sentence which you put to him.

DR. SAUTER: Yes, Mr. President.

THE PRESIDENT: Why do you say earlier?

DR. SAUTER: In his affidavit, and if the wording of the affidavit is correct, if there aren't any misunderstandings --

THE PRESIDENT: What I am pointing out to you is that the first sentence reads like this: "The material deposited by the SS included all these items taken from Jews, concentration camp victims, and other persons by the SS." And then it goes on, "This was brought to our knowledge by the SS personnel who attempted to convert this material into cash." What you are now putting to him is that that acceptance was put to him earlier. At least that is what I understood you to say.

H0132-0017

DR. SAUTER: No, today the witness has said that the fact that these things had been taken from concentration camp victims had not become known to him until he was interrogated at Frankfurt. The affidavit, however, must be interpreted, in my opinion, as saying, or as if he wanted to say at the time that he had had such knowledge before his arrest and through the SS personnel. That is apparently not true. It is for that reason that I have asked the witness if this expression in the affidavit is not a misunderstand.

THE PRESIDENT: Go on.

BY DR. SAUTER:

Q. Now, then, witness, if I can repeat this, it is correct, then, that the fact that these articles had belonged to concentration camp victims is something you only heard of during your interrogation?

A. Yes.

Q. And when did you know what was contained in these deposits; or, to pick out one thing, that there were gold teeth? When did you hear about that?

A. I did not hear about it at all when I was in my office. No reports from the cashier's office or the safe room were made to the Directorate regard. int the details of this transaction.

Q. So that this matter did not become known to you until you were arrested?

A. The details, yes.

Q. I see. Thank you. Now, you mention some agreement that, according t Funk's statement, Himmler, the Reichsfuehrer of the SS, had made with the Reich Ministry of Finance. What do you know about this agreement?

A. That is the same thing which I mentioned before. It was clear from t beginning that the value of these things that were deposited with us was to be credited to the Ministry of Finance.

Q. Not the SS?

A. No, not the SS?

Q. Why not? The SS were the depositors, were they not?

A. Yes, but they were representing the view that their actions were being carried out in the name of and on behalf of the Reich and for the accounts of

H0132-0018

the Reich.

Q. Witness, do you know anything about the fact that these valuables which had been obtained in the East by some means or other, confiscated or through robberies perhaps, that they were, financially speaking to be placed at the disposal of the Reich Ministry of Finance?

A. I did not quite understand the question. Are you referring to these very articles or confiscated articles in general?

Q. All valuables. I am here thinking of gold and foreign currency and such. All these valuables which had been got hold of by the SS in the East. Were they all to be placed at the disposal of the Reich Ministry of Finance and not the Reichsbank?

A. Their value was redited to the Reich Ministry of Finance.

Q. In this connection, witness, I should like to show you two accounts. I don't know, have you seen them?

A. No.

Q. They are two accounts from the Cashier's office of your bank. Perhaps you can hadn it up to the witness. I should like you to have a look at them first of all, and then I should like you to tell me whether you had known, up to now, what this matter was all about.

A. These two photostatic copies I have seen before during my interrogations.

Q. Not earlier?

A. No, not earlier. These photostatic copies show something which was just discussed; namely, that the value of these articles was to be credited to the Chief Reich Cashier's Office. That is the department in the Ministry of Finance.

Q. So that apparently this is in some way connected with this agreement, of which you have heard at some stage, and this is due to the fact that eventually all these things belonged to the Reich Ministry of Finance and the Reich?

A. Yes, correct.

Q. I have one more question on the same subject. Witness, I am interest

H0132 -0019

in whether here, too, there is some misunderstanding. In the affidavit there is the sentence according to which Funk told you that this matter, as it says here, should be kept absolutely secret. You did not mention this point at all to us today, although you have the affidavit before you. What are you saying today? Is that true or is it a misunderstanding?

A. You mean the keeping of it secret? No; of course these matters were meant to be kept secret. After all, keeping secret applies to everything that happens in a bank.

Q. Witness, that explanation does not quite satisfy us. During your interrogation of 3 May, did you say what is contained in this document; namely that the matter was to be kept absolutely secret, or did you express yourself differently?

A. No, the wording of the affidavit is correct, the matter was to be kept absolutely secret.

Q. But why?

A. Why? Because such matters are usually kept secret and are not published, particularly since these things were coming from the East, and I am repeating what I said before, and because our attitude regarding the confiscated articles was always that of trying to keep out of these matters altogether.

Q. Was it noticeable to you; did it strike you that the defendant Funk mentioned the keeping secret of this, or was that nothing unusual?

A. No, it was not anything unusual. It merely became clear from the conversation that if the confiscated articles of the Currency Department and the Customs Department were to be accepted by us, then these matters would make it urgent that they should be kept secret.

Q. But the way you are describing the affair, witness, seems to indicate that you, on one hand, considered the business to be perfectly legal, and you yourself are saying that it was perfectly

H0132 - 0020

legal; on the other hand, you were considering secrecy, which to you as an old banking expert was a matter of course, and, of course, the question arises, Why was the matter of keeping these things secret discussed at all?

A Presumably the reason is that Mr. Funk was asked, in turn, to keep it very secret, and he passed on that wish.

Q Did Mr. Funk tell you that he was asked to keep it secret?

A No, I donot remember that.

Q You do not remember; I see. Did you not ask him why it should be kep secret, "absolutely secret", as you say? I do not know whether you want to keep that up, but you said "absolutely secret".

A Yes, the decree of secrecy was to be applied here, and some such duty was to be imposed on the officials.

Q But you, as acting vice president, what did you say to that?

A I did not say anything because, if that had been arranged, then that wish would have to be complied with.

Q But you do not know whether it had been arranged? What do you know about that?

A I assume that it was arranged.

Q You consider it possible?

A Yes.

Q And so, to repeat this, those articles which did arrive you did not see at all?

A No.

Q Very probably you do not even know how much it was?

A No, I do not know that either, and, as I said before, I never saw any accounts. It was not part of our business procedure, because not every single affair was put before a member of the Directorate.

Q The reason I am asking you, you see, is that the other day when this case was discussed, it was stated that whole carloads, whole truckloads of things were sent.

A Whole truckloads?

Q You are laughing even now. You will laugh a lot more when I tell you that 47 truck loads or railway car loads of gold were discussed which were supposed to have arrived at your bank.

A Well, I never heard of this.

H0132-0021

Q We will then leave this point, witness, and come to the next point in your affidavit of 1 May. I think you knew this SS Obergruppenfuehrer Phol, whom you mentioned a little earlier, in 1942, did you not?

A Yes, but this occasion was the first opportunity for him to come to my office.

Q This is not meant to be an accusation. It is merely an ascertainment of fact. You knew him. Presumably, this was due to the first transaction regarding some credit which happened at some earlier time.

A Yes, that may be so.

Q. Defendant Funk says, you see, that as far as he can remember the matter-- and he did not attach any significance to it at the time -- as far as he can remember it, this is supposed to have happened along about 1940. That is to say, quite some time before the second transaction. Can that be true, approximately?

A I can neither deny nor confirm it. I do not know the date of that credit

Q In your affidavit you state, with reference to this credit, that the Reichsbank had opened a credit of 10,000,000 to 12,000,000 rm. for the SS, I believe to pay off some other credit which the SS had taken up with some other bank, and now you are saying that this credit had been taken up for the purpose of financing production of material in factories organized by theSS where workers from concentration camps were being employed.

Witness, I am not so much interested in the question of the granting of this credit as such, because that is part of your business asa bank and the figure of 10,000,000 to 12,000,000 rm. was not anything particularly unusual, but I am interested in this: How do you know that these monies were to be used for SS factories in which workers from concentration camps were working. How did you know that?

A The application for this credit came from the Economic Department of the SS. which has been mentioned earlier. This department was running a number of factories in Germany, and for that purpose they needed money. The Gold Discount Bank was prepared to give this credit, but only if the business procedure for credits were employed. In other words, the borrower would have to put a balance sheet before us, and at regular intervals he would have to report to us regarding production, his general financial state of affairs, and his plans for the future, in other words, everything that a debtor would have to inform his creditor about.

The head of the Gold Discount Bank was conducting the negotiations, and on that occasion, the representatives of the Economic Department who were submitting

H0132 - 0022

the balances, did, of course, mention production, which --

Q Slowly, please, witness.

A -- which was remarkable from the point of view of balances because the wage account was comparatively low. The question would naturally arise, To what is this low figure for your wage account due?

H0132 - 0023

The head of the Gold Discount Bank during a board meeting reported about this.

Q You are always talking about the Gold Discount Bank. The Tribunal will no doubt be interested to know whether the Gold Discount Bank is identical with the Reichsbank and whether it was also under defendant Funk's jurisdiction?

A The Gold Discount Bank is an institute founded in the beginning of the twenties. It was an auxiliary institute of the Reichsbank for certain different tasks: last but not least, promotion of exports and increase of production -- its capital structure.

Q No, we are not interested in that.

A Practically all the shares were held by the Reichsbank and its management -- Gold Discount Bank had a board of directors headed by the president of the Reichsbank. It had a deputy president or chairman of the board of directors and there was the vice president of the Reichsbank and then there was a board of directors where a number of members of the directorate of the Reichsbank were members but also the Secretary of State, Ministry of Economy and Minister of Finance.

THE PRESIDENT: It is not interesting to us to know what the exact directors of the Gold Discount Bank were.

BY DR. SAUTER:

Q Witness, I have tried to interrupt you earlier. I was going to tell you that what you have just told us isn't of any significance for this trial. The Tribunal is only interested in hearing whether the defendant Funk, as far as you can remember for certain, heard of these matters and did he know what the purpose of this credit was and did he know that in those factories people from concentration camps were employed; did he know of it and do youknow so for certain or don't you know at all?

A I might assume it but I can't know. At any rate, it was known that the credit was to be used for these factories.

Q Witness, I can't be quite satisfied with that answer because the SS- something which you heard in the meantime -- had certain economic businesses where there weren't any concentration camp inmates employed; as far as I know, for instance, the china (?) factory at Allach. I don't think there were

H0132 - 0024

any concentration camp inmates working at that, and then the entire --

MR. DODD: I object to testimony by counsel. He is practically giving the answer to this witness before he asks the question.

BY DR. SAUTER:

Q Do you know anything about it? Do you know that the SS had business of an economic nature where there weren't concentration camp inmates?

A Of course, I didn't know every individual business run by the SS and I couldn't know whether prisoners were in one or in theother.

Q During the meeting when this credit was discussed, was the defendant Funk present during it?

A No, he wasn't there; no, it was the same procedure which we always used; records were prepared.

Q Did defendant Funk talk to those officials who had noticed this unusual state of affairs regarding the wages (?) account: Did he talk to them at all?

A No, because this wasn't handled by the head of the Gold Discount Ba

Q And that wasn't the defendant Funk, was it?

A No.

DR. SAUTER: In that case, Mr. President, I have no further questions to the witness.

MR. DODD: I have just a few questions to ask, your Honor.

CROSS EXAMINATION

BY MR. DODD:

Q Who have you talked to besides representatives of the prosecution since you have arrived here in Nurnberg? Did you look at any paper? Who have youtalked to besides representatives of the prosecution since you have arrived here in Nurnberg?

A Oh, I see. I don't know everybody's name. There was a Mr. Kompner, Mr. Margolies --

Q I am not asking you about the gentlemen of the prosecution. I am asking you who else you have talked to, if anybody, since you arrived here in Nurnberg. That doesn't require very much thought. Have you talked to anybody else since you arrived here or not?

H0132 - 0025

A Only to the officials on the landing of our prison.

Q Nobody else?

A Nobody else.

Q Now, are you absolutely sure about that?

A Absolutely, yes.

Q Did you talk to Dr. Stuckart (?) over in the witness wing and about your testimony that you were going to give here this morning? Answer that question.

A Dr. Stuckhart (?) is one of the fellow prisoners on the same landing of the prison.

Q I didn't ask you that. I asked you if you didn't talk to him a day or two ago about your testimony in this case?

A No.

Q Now, I think it is awfully important to you that I remind you. You know that you are under oath here. I am going to ask you again: Didn't you talk to Dr. Stuckart (?) over in this witness wing about your testimony or about the facts concerning Funk in this case?

A No, I talked about general matters of all types.

Q You didn't talk to four or five of those other people there either about your testimony or about the facts here?

A No, absolutely no.

Q All right. You know a man by the name of Toms, T-O-M-S?

A T-O-M-S, that is an official from the Reichsbank who was working in the vaults of the Reichsbank in Berlin.

Q You know the man, you do know him?

A Yes.

Q Now, you talked to him about these deposits put in by the SS, didn't you, Mr. Puhl?

A Mr. Toms, no.

Q You didn't talk to him?

A No, I didn't see Toms at Nurnberg at all and in Frankfurt I saw him from a distance.

H0132 - 0026

Q I am not referring to Nurnberg now. We will get away from that for a minute. I mean during the time that these deposits were being made in the Reichsbank. Did you talk to Mr. Toms about the deposits?

A Yes, as it says in the affidavit.

Q Well, never mind the affidavit for a few minutes. I have a few questions I want to ask you. I am particularly interested in this matter of secrecy. What did you tell Toms about the requirement of secrecy with respect to these SS deposits? Did you tell Toms about the requirement of secrecy with respect to these SS deposits?

A I got to add that to start with, I talked with Mr. Vogflecti (?) because he was the person and then Toms came later. I told both these gentlemen that there was a wish that this matter was to be kept a secret.

Q Did you say that it had to be kept a secret and they must not discuss it with anybody else; that it was highly secret, a special transaction and if anybody asked him about it, he was to say he was forbidden to speak about it? Did you tell that to Mr. Toms in the Reichsbank?

A In that sense, I think, yes.

Q Well, that is what I am asking you. Why did you tell Toms that he was not to speak about it; that it was absolutely forbidden; that it was highly secret, if it was just the ordinary confidence reposed in bank officials attached to a business relationship?

A Because President Funk personally had stated that wish to me.

H0132-0027

Q Well, now, I think perhaps there is some confusion in our minds. You see, I clearly understood and I expect others as well as the tribunal may have in the courtroom this morning, that you were telling counsel for Funk that the secrecy attached to these transactions was not extraordinary but just the ordinary secrecy or confidence that banking people attached to their relationship with customers. Now, of course, that wasn't so, was it?

A The matter, as I explained earlier, is this: These confiscated valuables reaching the bank were usually turned away by us and if an exception was being made in this connection, then special duty for secrecy existed, of course.

Q I wish you would answer this question very directly. Wasn't there a special reason for special secrecy with respect to these deposits by the SS? You can answer that yes or no.

A Not recognizable to me.

Q Why were you telling Toms that was highly secret and he was to tell anybody who asked him about it, that he was forbidden to speak about it? You didn't ordinarily instruct your people to that effect, did you?

A Because I in turn had the same instructions.

Q That may be so, but that was a special secrecy, wasn't it? That wasn't your ordinary and customary way of doing business?

A Confiscated articles which reachedous were usually turned away by us and if we made an exception in this connection and this became known, then there would have been an immediate example from others and that is what we wanted to avoid under any circumstances.

Q You didn't want to discuss this matter on the telephone with Pohl of the SS, did you? You asked him to come to your office rather than talk about it on the telephone?

A Yes.

Q Why was that, if it was just an ordinary business transaction?

A Because you never knew in connection with the telephone how far that was listened into, which might have meant that that information might reach others.

Q Well, you didn't talk to anybody much on the telephone; is that

H0132-0028

right? You were a man that never used the telephone out of the Reichsbank? Now, I think you realize fully well that there was a special reason in this case for notwanting to talk on the telephone and I think you should tell the Tribunal what it was.

A - Yes; yes, the reason, as I have said repeatedly, was that from the beginning there was a wish that secrecy should be observed and if special secrecy is asked for, then that wish was respected and it was treated according or accordingly in connection with telephone calls.

Q And you are still insisting that this transaction was not a special secret transaction that you told Dr. Kempner was "schweinerei". Do you know what that word means?

A Yes.

Q What does it mean? It means it smelled bad, doesn't it?

A That we better not do it.

Q Now, you called up Toms on more than one occasion to ask him how the deposits from the SS were coming in, didn't you?

A No, I saw Toms only rarely -- often, I didn't see him for months because he hardly had any business to attend to in my office.

Q I didn't ask you if you sawhim often. I ask you if you didn't call him on the telephone and ask him how the deposits were coming along?

A No, I hadn't any further interest in the conduct of this particular transaction and there would have had to be a report from the cashier in this connection.

Q Did you tell him to get in touch with Brigadenfuehrer Frank (?) or gruppenfuehrer or Obergruppenfuehrer Wolff of the SS? Did you tell that to Toms?

A Yes, I repeat something I said earlier, when Pohl was with me I told him that he would give the job of dealing with the Reichsbank to two people from his office and the two names just mentioned were the names of those officials.

Q What was the name under which these deposits were known in the Reichsbank?

A The name under which these deposits were known in the Reichsbank I

H0132 - 0029

only heard from the files when I was in Frankfurt.

Q Don't you know the name Melmer, M-E-L-M-E-R?

A From my time in Frankfurt, yes.

Q Didn't you on one occasion call Mr. Toms on the telephone and ask him how the Melmer deposits were coming along?

A I didn't quite understand you, I am afraid.

Q I said, didn't you on one occasion at least call Mr. Toms on the telephone in the Reichsbank and ask him how the Melmer deposits were coming along?

A No, I couldn't have put that question because I didn't know the word "Melmer".

Q You don't know that Melmer was the name of an SS man? You don't know that?

A No, I didn't know that.

Q I want you to look at an affidavit by Mr. Toms, executed the 8th day of May 1946. You have seen this before, by the way; haven't you seen it yesterday? Answer that question, will you please, Mr. Witness. You saw this affidavit yesterday, the one I just sent up to you? You saw that yesterday, didn't you?

A Oh, yes, yes.

Q You will observe in paragraph five that Toms, who executed this affidavit, said that he went to see you and that you told him that the Reichsbank was going to back as custodian for the SS and the receipt and disposition of the deposits and that the SS would deliver the property; namely gold, silver and foreign currency, and he also explained at that time the SS intended to deliver numerous other kinds of property such as jewelry and "we must find a way to dispose of it"; and that he suggested to you, Mr. Puhl, that "we transmit the items to the Reichshauptkasse, as we made it in the case Wehrmacht booty, or that the items could be given by the Reichsfuehrer SS directly to the pawnshop for disposition so that the Reichsbank had no more to do with it than it did in the case of confiscated Jewish property. Puhl told me that it was out of the question and that it was necessary that we arrange a procedure for handling this unusual property in order to hold the whole business secret."

H0132 - 0030

Then he goes on to say:

"This conversation with Puhl occurred just a short time, approximately two weeks, before the first delivery, which occurred on August 26, 1942. The conversation was in the office of Mr Puhl; nobody else was present. I don't remember if Mr Frommknecht was present during the whole time; and Puhl said it was very important not to discuss this with anybody, that it was to be highly secret, that it was a special transaction, and if anybody asked about it that I say I was forbidden to speak about it."

And on the next page you find in paragraph 8 Mr. Thoms says:

"I was told by Mr. Puhl that if I had any questions on this matter I was to get in touch with Brigadenfuehrer Frank or with Gruppenfuehrer or Obergruppenfuehrer Wolff of the SS. I remember getting the telephone number of this office, and I think I recall it was furnished me by Mr. Puhl. I called Brigadefuehrer Frank about this, and he stated that the deliveries would be made by truck and would be in charge of an SS man by the name of Melmer. The question was discussed whetherM elmer should appear in uniform or civilian clothes, and Frank decided it was better that Melmer appear out of uniform." And so on.

Then, moving on down, he says in paragraph 10:

"When the first delivery was made, however, although Melmer appeared in civilian clothes, one or two SS men in uniform were on guard, and after one or two deliveries, most of the people in the Hauptkasse and almost everybody in my office knew all about the SS deliveries,"

Then moving on again, paragraph 12:

"Included in the first statement sent by the Reichsbank and signed by me, to Melmer was a question concerning the name of the account to which the proceeds should be credited. In answer to that I was orally advised by Melmer that the proceed should be credited to the account of 'Max Heiliger.' I confirmed this on the telephone with the Ministry of Finance, and in my second statement to Melmer, dated 16 November 1942, I confirmed the oral conversation."

Now, the next paragraph is 13:

"After a few months, Puhl called me and asked me how the Melmer

H0132 - 0031

deliveries were going along, and suggested that perhaps they would soon be over. I told Puhl that the way the deliveries were coming in it looked as though they were growing."

And then I call your attention to the next paragraph:

"One of the first hints of the sources of these items occurred when it was noticed that a packet of bills was stamped with a rubber stamp 'Lublin'. This occurred some time early in 1943. Another hint came when some items bore the stamp 'Auschwitz'. We all knew that these places were the sites of concentration camps. It was the tenth delivery in November 1942 that dental gold appeared. The quantity of the dental gold became unusually great."

Now, there is another paragraph, but I particularly want to call your attention to the fact that Thoms says you called him and asked him how the Melmer deliveries were going, and also to the fact that you, as he states here, impressed upon him the need for absolute secrecy.

Now, I want to ask you, after having seen that affidavit again--and you will recall that you told our people yesterday that that affidavit, insofar as your knowledge was concerned, was absolutly true. Now I am going to ask you if it isn't a fact that there was a very special reason for keeping this transaction secret.

A During the reading of this statement it becomes quite clear that the wish for secrecy originated from the SS, and that tallies quite exactly with what I have said earlier, namely, that the SS were keen to see that this was done, and they were the originators of this wish for secrecy. That goes as far as adopting the name of "Max Heiliger," inventing it for the account.

It becomes equally clear from this statement that this was an account for the Reichs Ministry of Finance. In other words, this tallies with what I have been saying, namely, that the special duty for secrecy was imposed and wished by the SS, and was carried out; and that it applied to the transfer of the value for these articles.

As far as the second objection is concerned, that I am supposed to have talked to Thoms, as I stated yesterday, I do not remember such a conversation. And I can't imagine that I might have gone to see him. That would

H0132 - 0032

have been quite an unusual procedure.

As to whether the word "Melmer" deliveries was used in that connection, I don't remember, but I suggest that it was used for simplicity's sake in this connection, and that it was used just to signify what was meant.

Q It isn't too important, but of course he says you called him on the telephone, that you didn't go to see him. However, I offer this as USA Exhibit 850.

THE PRESIDENT: This statement we have before us doesn't appear to be sworn.

MR. DODD: Well, the witness is here in Nurnberg. I will withdraw it and have it sworn to and submitted at a later date. I wasn't aware that it wasn't sworn to. He is here and available. I had him brought here in case any question was raised about him.

BY MR. DODD:

Q Now, the defendant Goering knew something about these deposits, too, didn't he? Now that we are talking this thing all out, what about that?

A It is unknown to me that Goering knew about these matters.

Q I show you a document that was found in the files of the Reichs Treasury, the Reichsbank rather. It is Number 3947-PS, and it is a new document. You haven't seen this, by the way.

Now, this is a memorandum in the files, dated the 31st of March 1944, and its subject is, "Utilization of jewels, and so forth, which were acquired by official

H0132 - 0033

agencies in favour of the Reich.

"According to the oral confidential agreement between vice president Mr. Puhl and the Chief of one of Berlin's public offices, the Reichsbank took over the selling of loval and foreigh currencies, gold and silver coins, previous metals, securities, jewels, watches, diamonds and other previous objects. All incoming objects will be processed under the code name 'MELMER'.

"The large number of previous objects acquired hereby have been turned over to the Municipal Pawn Shop, Div. III Main Office Berlin N 4" -- and the rest of the address -- "for the best possible utilization after checking the number of pieces and their weight, provided they have not been smelted."

I am not going to read all of it. It goes on with more material about th pawn shop, but I want to call your attention to the paragraph beginning "The Reichsmarshal of the Greater German Reich, the Deputy for the Four Year Plan informed the German Reichsbank, in a letter of 19-3-44, a copy of which is enclosed, that considerable amounts of gold and silver objects, jewels, and so forth, at the main office of the Board of Trustees East should be delivered to the Reichsbank according to the order issued by Minister of the Reich, Funk and Graf Schwerin Krosigk. The utilization of these objects should be accomplished in the same way as the Melmer deliveries. The Reichsmarshal informed us also about the utilization of objects of the same kind, which have been acquired in the occupied Western territories. We do not know to which office these objects have been delivered and how they are utilized."

Then there is more about an inquiry and more about this whole business, the pawn shops, and so on. But, first of all, I want to ask you: In the firs paragraph it says "According to the oral confidential agreement between you an the Chief of one of Berlin's public offices." Who was the chief of the Berlin public office that had the confidential agreement about this business with you

A. That was Mr. Pohl, and it was the agreement which we discussed this morning.

Q. That was Mr. Pohl of the SS, wasn't it?

A. Yes.

Q. And there was this whole transaction; this is his transaction that th memorandum is about, that much of it is about.

H0132-0034

A. This is a report from our cashier, and within the duty of secrecy it avoided the words "SS Economic Department." It is using general terms, It says "The head of a Berlin public office."

Q. And in another paragraph it refers to the incoming objects to be processed under the code name 'Melmer', m-e-l-m-e-r. That is the name I asked you a few minutes ago if you recognized, isn't it?

A. I didn't understand the question.

Q. Well, the last sentence in this paragraph says: "All incoming objects will be processed under the code name 'MELMER'" M-e-l-m-e-r-. That is the name I asked you about a few minutes ago, and you said you didn't know it.

A. Yes, and this statement shows that I couldn't have know it, because the cashier himself is giving the information that it is being carried out under the name "Melmer."

Q. I think if you will read it you will see that it shows just the opposite. It says according to the oral confidential agreement between you and Pohl of the SS, the Reichsbank took over the selling, and so on, of gold, silver coins, and so forth. "All incoming objects will be processed under the code name 'MELMER.'"

You are not telling this Tribunal that a transaction like this was going on in your bank --

A. Yes

Q. -- over which you were vice president, under a code name, and you didn't know it, and you were the man who was dealing directly with the SS man. Are you seriously saying that to this Court?

A. Yes. The word "Melmer" was never used in my presence, but the directors had the possibility of using a code word if they preferred not to use their own name. In this connection the cashier's office made use of that procedure.

Q. You will observe that this is the second time this mroning that we have run across the name Melmer. Mr. Thomas says you used that term in talking to him, and now we find it in one of your own bank memorandums, which is a captured document. Are you still saying that you don't know the term?

H0132 - 0035

A. Just because -- incidentally, the memorandum wasn't made for me. It was made for the cashier's representative, but particularly because it was to inform him regarding the arrangements made by the cashier's office. That is the very explanation under which this code name in this transaction was being carried out.

Q. Mr. Puhl, look up at me a minute, will you. Didn't you tell Lt. Meltzer, Lt. Margolies, and Dr. Kempner, when they were all together with you that all of this business with the SS was common gossip in the Reichsbank? These gentlemen who are sitting right here, two of them at the United States table and one up here. You know them. Now I want you to think a minute before you answer that question.

A. We talked about it, that the secret hadn't been kept since it can't be kept in a bank permanently, but that has nothing to do with it. What we are discussing at this moment deals with the technical details, how this sort of transaction is being acrried out. Something which couldn't be avoided was that the fact as such became know.

Q. Now, in case you don't understand me, we are not talking about that. I think you cannot help but remember, because this is only a day or so ago, in this building, you had a conversation with these gentlemen,

didn't you? And I am now asking you if it isn't a fact that you told them that this whole SS transaction with the bank was common gossip in the bank.

A There were general whispers about this transaction in the bank, but details were of course not known.

Q Are you worried about your part in this? I think that is a fair question in view of your affidavit and your testimony. Are you concerned about what you had to do with this business? Are you?

A No. I myself, once ithad been started, had nothing to do with it, nothing further to do with the matter. Thoms' statement, which you have just submitted, shows that he himself admits that I didn't see Pohl in the bank. During the meetings of the Directorate this matter was never reported, and no decision was ever called for in that connection.

Q You know, when the defendant Funk was on the stand he said that you were the one who first told him about the SS business. Is that your version of it?

A No. My recollection is that the first conversation took place with President Funk when he told me, for reasons which I told you earlier, that we wanted to please the SS and to take over these deposits after all. That is the way it was used.

Q You put it more strongly than that the other day when you thought about it, when you said "Can you imagine Himmler talking to me instead of Funk?" Do you remember saying that to these gentlemen?

A I didn't quite understand the last question.

Q Well, it is not too important. I say, don't you remember telling these gentlemen, Lt. Meltzer, Lt. Bergolies, don't you remember making this statement; That Himmler wouldn't talk to you as vice president of the Bank, but that he would talk to Funk. You were quite exercised when we told you that Funk had said that you were the man who originated this.

A Yes.

Q You got terribly upset about it. Don't you remember that?

A Yes.

Q Finally, this question: Are you serious in saying that youdidn't know about these deposits until you were interrogated in Frankfurt, or what the nature of them was? In view of the Thoms' affidavit, this exhibit that I have just shown you, and the whole examination this morning, do you want

H0132-0036

H0132 - 0037

your testimony to close with the statement that you actually didn't know what was in these deposits at any time?

A This statement put before me today of the statement from the cashier's office was seen by me at Frankfurt for the first time. It has never been before me before, and I didn't concern myself with the details of this transaction. I couldn't as vice president, since I was responsible for general economic and military policy, or rather armament policy. After all, we had a very highly qualified expert in our cashier's office who, if necessary, could have made a report, or should have made a report to the Directorate of the Reichsbank.

Q Of course you don't deny that you knew there were jewels and silver and all these other things in the deposits, do you?

A It has been said at the beginning that Schmucksachen (jewelry) had been used.

Q You knew the deposits. You knew there was jewelry, some jewelry, there. You knew there was some currency. You knew there were coins. You knew there were other articles. Now, the only thing you didn't know was the dental gold; is that so?

A It is certainly true, because, you see, it was known and had been said at the beginning, Mr. Pohl had told me that in principal and in the majority these deposits would contain gold, foreign currencies, silver coins, and he added "some jewelry."

Q Well, now, the question I think you can answer simply is: Everything that is mentioned in your affidavit except the dental gold you did know was on deposit from the SS. Don't you understand that question? I don't think it is complicated. You don't need to read anything, Mr. Puhl. If you will just look up here, I am asking you if you knew about everything that is mentioned in your affidavit except the dental gold.

A I knew about jewelry, but I didn't know how, in detail, this jewelry would look.

Q I am not asking you about details. I am simply asking if you don't know it was there. You knew there was currency there, and you knew there were articles there. That is about the only things that are mentioned excepting the dental gold, and that is the one thing you seem now to have not known.

H0132 - 0038

A Well, I knew that there was gold and foreign currency, and I repeat —.

Q And jewelry.

A I knew that jewelry was there.

Q So the only thing you say now you didn't know was the dental gold. That is all I am asking you. Why don't you answer that? It doesn't take very long. Isn't that so? The only thing you didn't know was the dental gold.

A No.

Q Well, what else is mentioned you didn't know about?

A This mentions, for instance, spectacle frames.

Q You didn't know about those either? All right, I will include those, spectacle frames and dental gold.

A Yes — no.

Q Those are the only two you didn't know about?

A Yes.

Q Those—

A No.

Q Those--

A I had been informed only by means of the general term "jewelry."

Q Then are the two matters that you had the most to worry about, aren't they, eye glass frames and dental gold?

MR. DODD: I have no further questions, Mr. President.

H0132-0039

THE PRESIDENT: One moment, please. Have you got a copy of your affidavit before you?

THE WITNESS: Of the 3rd of May, yes.

THE PRESIDENT: Have you only got one copy of it?

THE WITNESS: I will just have a look.

Yes, I have only got one copy.

THE PRESIDENT: Let me have it, please, will you ?

(A document was handed to the President.)

THE PRESIDENT: This documetn will be identified, and form part of the record. It had better be given whatever the appropriate number is.

MR. DODD: I believe, Mr. President, that is already in evidence.

THE PRESIDENT: Not this particular document, it is not. Yhis is the particular document he had before him, which has a number of manuscript notes on it, and is in the English language.

Mr. Dodd, you had better look at it.

MR. DODD: All right, sir.

I believe it would be come U.S.A. Exhibit 851; I think that is the next number in sequence.

THE PRESIDENT: U.S.A. Exhibit 851; very well.

MR. DODD: I might say, I think there is one question that might be helpful to the Tribunal with respect to this affidavit.

BY MR. DODD:

Q Mr. Puhl, you personally typed up a large part of this affidavit yourself, did you not, or wrote it up, or dictated it?

A A complete draft was put before me, and I altered it accordingly.

THE PRESIDENT: And then you signed it after you had altered it?

THE WITNESS (nods head.)

THE PRESIDENT: Do not nod; please answer. You said, "A complete draft was put before me, and I altered it". And I ask you, did you then sign it?

THE WITNESS: Yes.

BY MR. DODD:

Q And did you also initial those places that you altered on the original

H0132 - 0040

Did you not put your initials in each place that you wanted to make a change?

Isn't that so?

A No; we copied it again.

Q You copied it anew. Did you not mark the places that you wanted changed and say how you wanted it changed? You did, did you not?

A Yes; but that was of little significance. For instance, the word "Reichsbank" was replaced, and "Gold Discount Bank" was used, and there were some other small changes like that.

MR. DODD: It might be helpful to the Tribunal to know that it was re-written and initialed.

THE PRESIDENT: Very well.

BY THE TRIBUNAL (Mr. Biddle):

Q Mr. Witness, I want to ask you a few questions. The first you heard about these transactions was from the defendant Funk, was it not?

A Yes.

Q Did Funk tell you who had told him about them in the SS?

A Himmler.

Q Himmler had spoken to Funk about this?

A Yes.

Q Who else was present with Himmler and Funk when Funk talked to Himmler about this?

H0132 - 0041

A That I do noe know.

Q You do not know whether Pohl was there also?

A No, I cannot tell you that. But I can say that right from the beginning the name of the Minister of Finance was being used and mentioned. But whether he was personally there, I do not know.

Q Did Funk say to you what Himmler said to him?

A He asked that the facilities of the Reichsbank should be placed at the disposal of the SS for this purpose.

Q Then shortly after that, you took the matter up at the meeting of the Board of Directors?

A Yes, yes.

Q Was Funk at that meeting?

A No, he was not.

Q What did you say to the Board of Directors?

A I told the Board of Directors briefly about the transaction.

Q What did you say to them?

A In a few words I described my conversation with Mr. Funk, my conversati with Mr. Pohl, and confirmed the fact that the Reichsbank was taking valuables of the SS into theit vaults.

Q And then did the Board of Directors approve the action?

A Yes; there was no objection.

Q Now, the Defendant Funk said to you that these objects had come "from the East", did he not?

A Yes.

Q What did you understand that he meant by that phrase, "from the East"?

A Principally I thought of occupied Poland; but some Russian territories may have been meant by it.

Q You knew that this was confiscated property, I presume?

A Yes.

Q You told Pohl that the Bank would perform certain services in handling the property, did you not?

A Pohl had asked me to see to it that the good services of the Bank shoul be placed at the disposal of his men; and that I offered to do.so

Q And did those services include arranging theproperty, putting it in sac and describing it?

H0132 - 0042

A That was not talked about.

Q I did not ask you whether it was talked about. I asked you whether the services included arranging the property and putting in different kinds of containers and sacks. Is that what you did?

A Yes. That was up to a decision by the directors of the Cashier's Department. If they considered it necessary, they could do so.

Q Was that done?

A That I could not know. That is a matter for the Cashier's Department.

DR. SAUTER: Mr. President, may I put two very brief questions, please?

THE PRESIDENT: Very well, Dr. Sauter.

REDIRECT EXAMINATION

BY.DR.SAUTER:

Q The one question, Witness, is this: You have always been asked who has talked to you here during the past few days.

A In Nurnberg?

Q Yes, in Nurnberg. And you have heard that several members of the Prosecution have discussed this affair with you during the last few days.

I should like to ascertain this. Have I talked to you?

A No,no, no.

Q I will say I saw you for the first time in my life to-day. I just wanted to state this for correctness's sake.

And the second question is this: This is something you have already confirmed; but after the Prosecution's cross examination, I should like to put it to you again.

During the entire negotiations, or in the documents which are now being submitted and which you have read, was there ever any mention of the fact that these were articles which came from concentration camps?

A The word "concentration camp" was neither used during the conversation with Mr. Funk nor during the conversation with Mr. Pohl.

Q So that Funk did not give you a hint of that type, either?

A No.

DR. SAUTER: In that case, Mr. President, I have no further questions.

THE PRESIDENT: The Witness can retire, and the Tribunal will adjourn.

(A recess was taken.)

H0132 - 0043

THE PRESIDENT: Mr. Dodd, you did offer 3947 as an exhibit, did you not?

MR. DODD: Yes, sir, I did, as Exhibit 850, I believe it was.

THE PRESIDENT: 850 was the order, and then that copy of the Puhl affidavit was 851?

MR. DODD: That is right. I did not offerthe other affidavit because we discovered it wasn't sworn to. I have it here and I will do it later, and I have that witness here. This thing can't go on interminably and I don't want to drag it on, but I would like to offer the affidavit when he can swear to it, and if there is going to be any demand for him I would like to state that Dr. Stuckert ? is not a prisoner. He is a free man in this country.

THE PRESIDENT: He should be called now.

MR. DODD: If he is going to be called I would suggest that it be done soon.

THE PRESIDENT: If you want to cross examine him he should be called now.

DR. SEIDEL: Mr. President, I am representing Attorney-At-Law, Dr. Hoffmann for the defendant Goering. The defendant, Goering, asked me in the re-examination of the witness Puhl to ask two questions. The questions will probably be in connection with the Document which the Prosecution submitted to the witness, Puhl, in cross examination, Document 3947 PS. The Prosecution on page 2 of this document read sentence 3, which begins as follows:

"The Reich Marshall of the Greater German Reich -- "

THE PRESIDENT: If you want to put questions to the witness Puhl on behalf of the defendant Goering you can do so and Puhl will be recalled for that purpose.

DR. SEIDEL: Mr. President, the difficulty is something else. The defendant Goering has in my opinion a justification. The questions which he wanted to ask the witness he could put plainly if he previously had an opportunity to see the document to which the Prosecution referred. Therefore, during the cross-examination I wanted to have the sergeant on duty give document 3947 to defendant Goering. This was refused with the explanation that on the basis of an order of the Commandant of the Prison, documents can no longer be given to the defendants in the main proceeding when their case has

H0132 - 0044

already been concluded.

THE PRESIDENT: As long as the document was read over the earphones the defendant Goering and yourself shall certainly see the document, but the witness must be called during this sitting. You may see the document and the defendant Goering may see the document, but the witness must be recalled for any questions at once.

DR. SEIDEL: Mr. President, only excerpts were read from the document. In my opinion the defendant Goering if he desired to ask a sensible question must know the whole document. I am of the opinion that there are only two possibilities; Either the defense will in the case of defendants whose cases are already concluded, dispense with further material in cross-examination; or the defendants will be given the opportunity to see the new evidence submitted in documents from which excerpts are read, and that can only be done by showing the defendant the whole document.

THE PRESIDENT: There is only just one page and there is only one paragraph in it which refers to Goering. And that paragraph has already been read. When I say one page, it is just one page of this English copy. I think you have a German translation before you.

DR. SEIDEL: I have three and one half pages.

THE PRESIDENT: There is only one paragraph which relates to Goering.

DR. SEIDEL: It is only a matter of whether in the main proceedings I may give this copy to the defendant Goering. If this is possible -- and I see no reason why this should not be possible -- I will be able to ask the witness Puhl any questions that are necessary. I am of the opinion the defendant is right when he says that of a document from which only excerpts are read he would like to read the whole document.

MR. DODD: Mr. President, I would like to point out that Dr. Seidel had the document for 10 minutes during the recess; and also I would like to point out that we did not like to prevent his having the document; It is a security measure altogether.

THE PRESIDENT: Perhaps you will be satisfied, Dr. Seidel, if the witness Puhl is recalled at two o'clock for Dr. Seidel to put any questions to him that he wishes. And of course he would have the document. He has

H0132 - 0045

the document now. And of course Goering would have the document too.

DR. SEIDEL: That is the difficulty, Mr. President. I have the document but on the basis of the instructions of the police the defendant Goering is not allowed to have the document.

THE PRESIDENT: You can give the document to Goering now.

DR. SEIDEL: I am not allowed to do that.

THE PRESIDENT: I am telling you to do it, and they will let you do it.

Dr. Sauter, do you wish to cross-examine the man who has made a statement? Do you wish to cross-examine Toms?

DR. SAUTER: Please, yes.

THE PRESIDENT: You do?

DR. SAUTER: Yes. Mr. President, may I comment on what Dr. Seidel has just said? It isn't just a question of this one document which Dr. Seidel just wanted to give the defendant Goering. It is a general question of whether a defense counsel is justified in giving a defendant during a session, documents. So far that was permitted. Now the police say that those defendants whose cases have been completed here for the present may no longer be given any documents by the defense counsel in the court-room. We of defense counsel feel that that is unjustified, since it may very easily happen that the defendants may have something -- may have some connection with a later case. We request you and the Court that in the future the defendants should be permitted -- the defense counsel should be permitted to give the defendants documents here in the session, even if the case, as such, has been concluded.

That is what Dr. Seidel wanted to ask you.

Mr. President, may I say something else?

THE PRESIDENT: Yes, Dr. Sauter? You wanted to say something more to me?

DR. SAUTER: May I point out the following: In the interrogation room down in the jail we are not allowed to hand any documents to the defendants. Thus, if I have a document then which I want to discuss with my client, I have to read all this document to him. If 10 or 12 or 15 defense counsel are down there in the evening --

H0132 - 0046

THE PRESIDENT: Dr. Sauter, the Tribunal is of the opinion that any document which is handed to the defendants' counsel may be handed to the defendants themselves by the counsel and that it does not make any difference that a particular defendant's case has been closed with reference to that rule.

DR. SAUTER: I am very grateful to you, Mr. President. I hope that his will involve no more difficulties.

THE PRESIDENT: Well then now, you want to cross-examine Toms?

DR. SAUTER: Yes.

THE PRESIDENT: Is Toms here? Can he be brought here at oncce?

MR. DODD: He is on his way -- he is probably right outside the door.

THE PRESIDENT: All right Marshal, see if he is available.

MR. DODD: I have not had time, Mr. President, to have the affidavit sworn to because I have not seen the man.

THE PRESIDENT: No, but as far as his cross-examination is concerned, he can be put under oath here.

THE MARSHAL: No sir, he is not here yet.

MR. DODD: He is on his way.

THE PRESIDENT: He is not available.

MR. DODD: He is on his way. He was in Lieutenant Meltzer's office a minute ago and he went out to get him.

THE PRESIDENT: Well, he can be called then at two o'clock after the other witnesses.

Now Dr. Siemers, would you be ready?

DR. SIEMERS: Dr. Siemers, defense counsel for Grand Admiral Dr. Eric Raeder.

I would like to make the following remarks in the presentation of my case

According to the suggestion of the Court I should like to call Raeder as a witness in connection with all the documents which the Prosecution submitted in the case against Raeder. I hve given all of these documents to Raeder so that he will have them with him in the witness stand in order not to lose any time by bringing each one to him separately. These documents are in part in document book number ten. The British delegation put these documents which were not yet in the document book into a new document book 10 (a). I assume

H0132 - 0047

that this document book is in the possession of the Tribunal.

To make matters easier I will give the page numbers of the English document book 10 (a) and 10.

At the same time in case the Tribunal agrees, I intend to submit the documents from my document book connected with the case in question. Thank you.

Will you call Grand Admiral Raeder to the witness stand.

ERIC RAEDER, called as a witness, took the stand and testified as follows:

BY THE PRESIDENT:

Q. Will you state your full name.

A. Eric Raeder.

Q. Will you repeat this oath after me:

I swear by God, the Almighty and Omniscient, that I will speak the pure truth and will withhold and add nothing.

(Witness repeated oath)

THE PRESIDENT: You may sit down.

DIRECT EXAMINATION

BY DR. SIEMERS:

Q. Grand Admiral Raeder, please tell the Tribunal briefly about your career?

A. I was born in 1876 in Wansbeck near Hamburg. I joined the Navy in 1894. I became an officer in 1897. Normal advancement; two years naval academy; three months leave in each year to Russia to study languages during the Russian-Japanese War.

1906 to 1908, Reich Naval Office in the Information Division, Tirpitz. Foreign press -- I was editor of the "Naval Review" and the "Nautikus."

1910 to 1912, Navigation Officer on the imperial yacht "Hohenzollern." 1912 to the beginning of 1918, First Admiral Staff Officer and Chief of Staff of the cruiser "Admiral Hipper."

After the First World War in the Admiralty Chief of the Central Division

H0132 - 0048

with Admiral von Tother. For two years I wrote a naval history for the naval archives. As Rear Admiral from 1922 to 1924, inspector of training program of the Navy. 1925 to 1928 as Vice-Admiral, chief of the navy station Baltic in Kiel.

On the 1st of October, 1928, I became chief of the Navy Command in Berlin, appointed by President von Hindenburg at the suggestion of the Reichswehr Minister Groehner.

In 1935 I became Commander-in-chief of the Navy and on the first of April, 1939, I became Grand Admiral.

On the 30th of January, 1943, I resigned as Commander-in-chief of the Navy and received the title Admiral-Inspector of the Navy without being connected with any official functions.

Q. I should like to come back to one point. You said that in 1935 you became Commander-in-Chief of the Navy. This was only, if I am right, a new title, is that right?

A. It was only a new name.

Q. That is, you were head of the Navy from 1928 to 1943?

A. Yes.

Q. According to the Versaille Treaty Germany had an army of one hundred thousand men and a navy of fifteen thousand men, with one thousand five hundred officers. In proportion to the size of the Reich the Wehrmacht was extremely small.

I ask you was Germany in the twenties in a position, with this small Wehrmacht, to defend herself against possible attacks by neighboring states and what dangers did Germany have to count on in the twenties?

H0132 - 0049

A In my opinion, Germany was in no position to defend herself effectivel against attacks of even the smallest states, since she had no modern weapons while the surrounding states, Poland in particular, were equipped with the most modern weapons. The modern munitions plants had also been taken away from Germany.

The danger which Germany faced in the 20's was an attack by Poland on East Prussia, in order to cut off this territory and occupy it. This was cut off from Germany by the Corridor. The danger was especially clear to Germany because at that time Wilna was occupied by the Poles, and because Lithuania had taken away the Memel area. In the south, Flume had been taken away without the League of Nations or anyone else objecting.

The German Government realized at that time that the only thing that could not be allowed to happen to Germany in that period of impotency was the occupying of East Prussia and taking it away from Germany. Our efforts were therefore aimed at organizing ourselves so that we would be able to oppose such an invasion of East Prussia by Poland.

Q You just said that it was feared that such an invasion might take place. Was not the border crossed, in fact, on several occasions in the 20's?

A Yes, that did happen.

Q Is it true that these dangers were not only realized by you and by the military circles, but also by the Government in the 20's, especially by the Social Democrats and by Stresemann?

A Yes. I said before that the Government realized that such an invasion could not be allowed to occur.

Q The Prosecution has now accused you of conduct contrary to internation law and contrary to treaty in the time before Hitler.

On the 1st of October 1928 you became Chief of the Navy Command. Thus you received the highest position in the German Navy. Did you use all your efforts, in viewof the dangers described, to build up the German Navy in the framework of the Versailles Treaty in order to be able to protect East Prussia in particular?

A Yes, I used all my efforts. I considered building up the Navy my life task. In all stages of this period of construction, the reconstruction

H0132 - 0050

of the Navy was especially difficult, and as a result, in all these years I was constantly having to fight in one direction or another in order to put through this construction work. Perhaps I became a little one-sided since this battle for the construction of the Navy took all my time and kept me from taking part in any other matters that had nothing to do with it.

In addition to material construction, I put all my efforts into the formation of a competent officers' corps and well-trained and particularly well-educated crews. Grand Admiral Doenitz has already reported here the result of this training of our officers and men, and I should like to confirm that these German naval menwere respected at home and abroad because of their good training and because of the fact that in war they fought in an exemplary manner to the end, in complete unity, because they participated in no atrocities. In the occupied areas where they were stationed, in Norway for instance, they earned the recognition of the population for their decent behavior.

Q Since you were in charge of the Navy for 15 years and built up the Navy in these 15 years, it can be stated that as head of the Navy you are responsible for everything that happened in this connection?

A I am fully responsible for it?

Q If I am correct, the only restriction is the date the 1st of October 1928. To whom wer you subordinate as far as construction of the Navy is concerned? You could not act completely independently.

A I was subordinate to the Reichswehrminister and through him, to the Reich Government, since he was a member of the Reich Government. Second, I had to obey the Commander in Chief of the Wehrmacht in these matters. From 1925 to 1934 the Commander in Chief of the Wehrmacht was Reichspresident General Feldmarschall von Hindenburg, and after his death on the 1st of August 1934, Adolf Hitler.

DR. SIEMERS: Mr. President, in this connection may I submit Raeder Exhibit No. 3, a short excerpt from the Constitution of the German Reich. It is in Document Book I on page 9. Article 47 reads:

"The Reichspresident has the supreme command of all the armed forces of the Reich."

H0132 - 0051

I submit further the Reichswehr Law, to which I will have to return later, as Raeder Exhibit No. 4, Document Book I, page 11.

H0132-0052

I refer to Article 8 of the Defense Law, which reads as follows:

"The command lies exclusively in the hands of the lawful superior.

"The Reichspresident is the Commander in Chief of all Armed Forces. Under him, the Reich Minister for Defense has authoritative powers over all the Armed Forces. At the head of the Reich-Army is a General, as Chief of the Army-Command; at the head of the Reich-navy, an Admiral, as Chief of the Naval Command."

These paragraphs were also in full effect under the National Socialist regime. I refer to them only because this confirms what the witness says. In regard to reconstruction, it is the Reich Defense Minister, and then in the third position is the head of the Ministry.

BY DR. SIEMERS:

Q Grand Admiral, the Prosecution accuses you of building up the Navy, first, by breaking the Versailles Treaty, second, behind the back of the Reichstag and the Reich Government, and third, with the intention of waging aggressive war.

I should like to ask you in this connection whether the construction of the Navy was for aggressive or defensive purposes. Please distinguish chronologically. Speak at first only about the period of time under the influence of the Versailles Treaty, that is, from 1928 until the German-English Fleet Agreement of the 18th of July, 1935.

My question is: In this period of time of the construction of the Navy, was the construction of the Navy for aggressive purposes as the Prosecution asserted?

A The construction of the Navy took place in no way for aggressive purposes. No doubt there was a certain evasion of the Versailles Treaty.

Before I go into details, I should like to ask to be allowed to read a few short quotations from a speech, which I made in 1928 in Kiel and Stalsund, the two largest garrisons of my Navy station, before the citizenry. When I took up my duties in Berlin, I handed it to Minister Severing as my program. Minister Severing regarded me with acertain amount of suspicion at that time.

DR. SIEMERS: I believe the High Tribunal will agree, because the statements from the year 1928 show Raeder's attitude more clearly. For

H0132 - 0053

Official transcript of the International Military Tribunal in the matter of the United States of America, the French Republic, the United Kingdom of Great Britain and Northern Irelan, and the Union of Soviet Socialist Republics, against Hermann Wilhelm Goering,et al, Defendants, sitting at Nurnberg, Germany, on 15 May 1946, 1400-1700, Lord Justice Lawrence presiding.

DR. SERVATIUS (Counsel for Defendant Sauckel): Mr. President, will you please grant permission for the defendant Sauckel to be absent from the courtroom on the session of the 18th so that he may prepare his defense?

THE PRESIDENT: You want to be absent in order to prepare your defense?

DR. SERVATIUS: Yes.

THE PRESIDENT: Yes, certainly.

MR. DODD: Mr. President, I would like to suggest that before the witness Puhl is recalled, the witness Toms be called. I believe it will save some of the Tribunal's time. I think, from what I know of the prospective testimony, there may be questions that will arise in the mind of the Tribunal which it would like to put to the witness Puhl after having heard the witness Toms.

And also I would ask, so as to be absolutely fair to all hands concerned, that the witness Puhl be in the courtroom when the witness Toms testifies. I think he should have that opportunity.

THE PRESIDENT: Dr. Sauter, do you have any objections?

DR. SAUTER: I have no objection.

MR. DODD: May we call the witness Toms?

THE PRESIDENT: Yes, call Toms, and have Puhl somewhere in the courtroom where he can hear.

ALBERT TOMS, a witness, took the stand and testified as follows:

H0132 - 0054

BY THE PRESIDENT:

Q Will you state your full name?

A Albert Toms.

Q Will you repeat this oath after me?

A I beg your pardon, but I didn't quite hear you.

Q Will you repeat this oath after me:

I swear by God the Almighty and Omniscient, that I will speak the pure truth and will withhold and add nothing.

(The witness repeated the oath).

THE PRESIDENT: You may sit down.

MR DODD: Mr. President, I am aware that he has been called for cross-examination. However, there are one or two matters, now material, which were not included in the affidavit, and to save time I would like to bring those out before the cross-examination takes place.

THE PRESIDENT: Very well.

DIRECT EXAMINATION

BY MR. DODD:

Q Mr. Toms, you executed a statement on the 8th day of May, 1946. Is that so?

A Yes.

Q And you signed it?

A Yes.

Q And everything in it was true?

A Yes.

Q And is true now, of course?

A Yes.

Q I wish you would just look at it for purposes of certainty and identify it now. Is that the statement that you signed, Mr Toms?

A Yes.

Q All right. Now, I have one or two questions to ask you about it.

MR. DODD: I wish to offer it, Mr. President, as USA Exhibit 852.

H0132 - 0055

Q (Continuing) You know this gentleman sitting to your left, do you not?

A Yes.

Q That is Mr.Puhl, is it not?

A Yes.

H0132-0056

Q He was the Vice President of the Reichsbank when you were employed ther

A Yes.

Q Now, did you ever have a conversation with Mr. Puhl about any special deposit which was coming to the Reichsbank and about which you should maintain utmost secrecy?

A Yes.

Q Tell us when that conversation took place, what was said, and if anyon else was present at the time.

A This conversation took place in the summer of 1942. I was called to c come up into President Puhl's office, Mr. Frommknecht, the cashier, delivering the message. Mr. Frommknecht took me to Mr. Puhl, and there Mr. Puhl disclosed the fact that a special transaction with the office of the Reichsleader SS was to be undertaken.

Do you want me to explain it in detail?

Q Tell us everything that he said to you.

A Very well.

Puhl told me that the affair was to be kept absolutely secret and treated quite confidentially, that not only were articles to be delivered which could be taken over in the ordinary course of business of the Reichsbank quite automatically, but there would also be the use of jewlry and other articles.

Upon my objection that such matters could not be dealt with by any of our experts, he replied that we would have to find a way to utilize these articles.

I made the suggestion that these special articles were, first of all, to be sent to the Chief Cashier's Department -- that is, the Cashier Department of the Reich Government -- which was dealing with all booty of the Army. However, Mr. Puhl thought that this matter should not go through the Chief Reich Cashier's Department, but should be handled by the Reichsbank in some other form. Therefore I suggested that these articles could be dealt with exactly like the deliveries of confiscated Jewish articles which had been dealt with before, which had been sent to the Municipal Pawnbroker's Office in Berlin. President Puhl agreed to this suggestion.

Q When did the first of these shipments arrive?

A The first delivery came during the month of August, as far as I can

H0132 - 0057

remember.

Q 1942?

A Yes, 1942.

A Does the name "Melmer" mean anything to you?

A The name "Melmer" was the name of the SS man who, in subsequent times, brought these valuables to the Reichsbank. Under this clue word all deliveries of the SS were, later on, entered on the books of our bank.

Q Did you ever mention the name or the word "Melmer" to Puhl, and did he ever mention it to you?

A The name "Melmer" has not been mentioned by President Puhl to me, but it has been mentioned by me before President Puhl. I gave it to him, because I had to inform him about the carrying out of this particular business and, most of all, of course, about the business which arose from transferring the payment for these articles. In accordance with the suggestion which came from the office of the Reichsleader SS, that money was transferred to the Reich Ministry of Finance, into an account which had the name "Max Heiliger". Later on, I informed President Puhl briefly about these facts.

H0132 - 0058

Q Did you ever tell Puhl the nature of the material that you were receiving in the SS shipments?

A After some months President Puhl asked me how the Melmer affair was getting along. I explained to him that, contrary to the expectation that there would really be very few deliveries, deliveries were growing, and that apart from gold and silver coins there was a great deal of jewelry, rings, wedding rings, even dental gold, gold and silver fragments; in fact, all sorts of gold and silver articles.

Q What did he say when you told him there were jewels and silver and dental gold and other articles?

A May I first of all add one or two things. I drew his attention especially to the fact that on one occasion I had received something like twelve kilograms of jewels and that there was such a considerable amount that I had never seen anything like it before in all my life.

Q What was it?

A It was pearls. They were pearls and pearl necklaces.

Q Did you also tell him you were receiving a quantity of ey-glass rims?

A I can't swear to that at the moment, but I have described the general character of these deliveries and, in my opinion, I probably used the word "spectacles", but I wouldn't state it on my oath.

Q Was he ever in the vaults when this material was being processed?

A He used several occasions to visit the strong rooms of the bank to inspect gold deposits there and particularly to inform himself about the type of storage. The deliveries were kept in a special department of one of the main safes, so that on those occasions Mr. Puhl saw the trunks and boxes -- he must have seen them -- of these deliveries. Nearby in the corridor of the vault deliveries were being dealt with and I am of the certain opinion that Mr. Puhl, when he walked through the strong rooms, must have seen these matters since they were quite openly lying on the table and everyone who visited the strong room could see them.

Q There were about twenty-five or thirty people that sorted this stuff out, were there not, before it was shipped away for melting and for sale in

H0132-0059

the pawn shops?

A I would answer that by saying that there were twenty-five to thirty people -- that is every day twenty-five to thirty people would visit the strong rooms so as to carry out some official business there. The activities in this connection were carried out by no more than four to five officials; that is the sorting out and preparation of this material.

Q And everyone under your supervision were sworn to secrecy? They didn't talk about this business; they were forbidden to do so, were they not?

A There were strict instructions in the bank that secret matters must not be talked about, not even with colleagues of one's own department so far as that colleague did not himself work in the same matter.

Q Well, this was a super-secret matter, wasn't it? It wasn't the ordinary secrecy that attended. Wasn't there a special secrecy surrounding these deliveries?

A That is right. It was quite an exceptional affair and it had to be kept especially secret, so that I should like to say that it was kept secret over and above the limits of ordinary secrecy. I had been strictly forbidden to talk to anybody about it and I had said at the time when I said farewell to President Puhl, after the first conversation, that I would inform the leading officials in the department of the cashier, because my superiors must be informed about this business.

Q Was there a report made about these Melmer deposits to the Directorate?

A No, that was relayed with exceptional secrecy and the deliveries which had been dealt with were only accounted for in an account called "Melmer". That account was sent to the foreign exchange department by the cashier's department and they, in turn, would deal with it further, together with the Directorate of the Reichsbank.

Q Well, the Directorate had to approve the handling of this type of thing, did it not? You weren't allowed to handle materials like this without the approval of the bank Directorate?

A Those matters particularly had to be dealt with and all instructions had to be given by the Board of Directors, or they had to pass

H0132 - 0060

on these matters, so that I could never act independently or do anything independently. Generally the instructions were given in writing and they were signed by at least two members of the Board of Directors when they reached the cashier's department; so that this was quite an unusual case, that in this case there were oral instructions.

Q By the way, Mr. Toms, you have seen the film this noon-time? We have shown you a film, haven't we?

A Yes.

Q After seeing that film, are you able to say whether or not that represents a fair representation of the appearance of some of the shipments that were received by the Reichsbank from the SS?

A I can answer that by saying that this film and the pictures which I have seen in it is typical for Melmer deliveries. Perhaps I should limit it in one sense, though, by saying that the quantities as shown in this film didn't represent the same quantity of gold which came with the first deliveries. Only later did these amounts increase so that the quantities which we have seen in this film were delivered. They weren't dealt with at the Reichsbank at the time, or hadn't beendealt with then. They were, of course, in boxes or trunks which were locked. But generally, as a matter of fact, the material which I have seen in that film is typical for a delivery at the Melmer.

Q All right, sir. Now, approximately -- I don't expect a completely accurate answer, but approximately how many shipments

H0132 - 0061

did you receive of this stuff from the SS?

A As near as I can remember at the moment, there must have been more than seventy deliveries, possibly seventy-six or seventy-seven. I can't tell you exactly how many but that must be about the right figure.

Q Very well. I have no further questions.

CROSS EXAMINATION

BY DR. SAUTER:

Q Witness, what is your occupation?

A A councilor of the Reichsbankrat.

Q Where did you live?

A Berlin, Steglitz; and after my home was bombed I lived at Potsdam, No Fahrland.

Q Did you volunteer for the examination of the prosecution or how did y happen to be interrogated--

A I was asked.

Q Please, will you wait until I have finished my question so that the interpreters can catch up with us?

A I was ordered here.

Q By whom?

A The prosecution.

Q Are you a free man?

A Yes, I am free.

Q Did you receive that order in writing?

A No. I was asked orally yesterday to come to Frankfurt -- or rather Nurnberg.

Q Where are you living? In Frankfurt at the moment?

A Yes, I am.

Q Mr. Toms, where did you live on the 8th of May? That is a week ago today?

A On the 8th of May this year?

Q You are Mr. Toms, aren't you?

A Yes.

Q Yes, on the 8th of May, a week ago today.

H0132-0062

A- I lived at Frankfurt.

Q There you were interrogated, weren't you?

A That is quite right. I was interrogated at Frankfurt.

Q That is the affidavit. --

A Yes, the affidavit.

Q -- the affidavit which the prosecutor has just put to you?

A Yes, that is right.

Q How did the affidavit come about? Did you volunteer as a witness or how did this happen?

A I volunteer, yes. I want to point out to you that already a year ago when I was working at Frankfort, I approached American forces and volunteered to make a statement about the details of that part of the business which was known to me at the Reichsbank.

Q I see. So last year you offered yourself as a witness?

A Yes. I wouldn't say as a witness in this matter, though. I merely placed myself at their disposal as far as the clarifying of Reichsbank business was concerned, for American purposes.

Q Did you ever discuss this matter with the President of the Reichsbank Funk?

A No, never during my employment, my service, did I have an opportunity to talk to Minister funk.

Q Did you have positive knowledge, perhaps from some other source, whether President of the Reichsbank Funk had exact knowledge of these affairs, of these matters, or is that also unknown to you?

A I can't say anything about that either because these matters happened on a higher level which I couldn't judge.

Q Then I would be interested to hear something about this deposit or whatever you call it. This was under the name "Melmer"?

A I want to point out that this wasn't a deposit but that these were deliveries which were delivered under the name "Melmer" and that to some extent t this was business which the Reichsbank had to carry out and which was the meditating over of these articles; and they were affairs the Reichsbank would deal with. They, shall we say -- the Reichsbank, was acting for the SS in the exploitation of these articles.

H0132-0063

Q. Why did this item -- whether we call it a deposit or anything else-- why was it given the name 'MELMER'? Did you ask anybody about that, Witness?

A. I have already mentioned at the beginning of my examination that this was a particularly secret affair in connection with which the name of the supplier was not to appear. In this case, therefore, there was a specific instruction from the Vice-president, Puhl, which was decisive of the way this affair was dealt with.

Q. In this strong-room, where these things were kept, did only officials of the Reichsbank get in there, or did other persons also have access to it, for instance, customers of the strong-room, of the safes?

A. The Reichsbank didn't have any private customers, that is to say, we didn't have any closed deposits that might have belonged to customers of the Reichsbank -- at least not in those vaults. Deposits from private customers were in another vault, so that a contact between the deposits of the bank and the deposits of the customers wasn't possible.

Q. But officials?

A. Quite a number of them could get there. Of course, Mr. Puhl has said so here.

Q. There is one thing I am not clear about: On one side you have told us that these articles were openly lying about on tables so that everybody could see them and on the other hand you said towards the end of your statement that these things were kept in locked boxes and trunks. Now, what is the situation there? And please be slow.

A. I have stated that these matters were delivered in closed boxes and trunks, and stored in them. On the occasion when they were dealt with, when the individual deliveries were dealt with, the delivery which was about to be dealt with, of course, was opened. The contents had to be counted and weighed, and that, of course, could only be done by spreading the contents out. But once counted, once investigated, then they were locked in new containers.

Q. Did you on your own initiative perhaps talk to Witness Puhl? After all, you were a high official in the bank. And did you say you were against this entire business and had any objections to it. Please think very carefully

H0132-0064

of the answer to this question, because you are under oath.

A. First of all, I want to answer that I belonged to the group of intermediate officials. And then, of course, as a matter of course -- or let me put it this way: If an official has worked for thirty years or longer for an authority in which he has discovered during all those years that the directors were without blemish, without blame, then he can't have any objections when in a special case he is instructed to keep secrecy with regard to a business which is something unusual and he wouldn't object to carrying out this order. I have already told you that the conception, "booty," wasn't unknown to us officials in the Reichsbank, because there was the order that captured gold or all booty goods which had been returned by the Armed Forces were to be sent direct to the Cashier of the Reich Government, and we in the Reich Government and we in the bank, of course, thought that any booty of the SS troops would go the way into the Reichsbank, and an official of the Reichsbank can't very well fight against such an order. If the Directors of the Bank give him some instructions, then he will have to carry them out, and of course he must observe the oath which he swore -- quite.

Q So that, Witness, if I understand you correctly, then you are telling us that at the beginning, at any rate, you considered that the matter was a correct one, is that right, at the beginning?

A At the beginning, yes. In fact, I considered it correct all the way through.

Q Did you ever have any doubt that this might be criminal, to be brief?

A I would have had the doubt certainly if I had had the knowledge and experience then which I have today. As far as that is concerned, I kept my doubts; I couldn't admit them, because the affair wasn't only known to me but the directors of the bank and known to the Chief of the Cashier's Department. The valuables of the strong-room were checked every night by a deputy director of the Cashier's Department. I only had the technical procedure under me, as far as this was concerned, and responsibility for the correctness of this particular action wasn't within my competence.

H0132 - 0065

Q I don't know about responsibility, but, Witness, I asked you, did you ever have any doubts, and when did the moment arrive when you considered the whole affair criminal? Did you consider it criminal?

H0132 - 0066

A We assumed that these were goods which the SS brought from towns in the East, because they participated in the fight for Warsaw and then afterwards they captured this material in houses, and they delivered them to our Bank as booty. You can't say that if in this connection a military department supplies us with booty goods an official who is responsible for dealing with such matters could consider deliveries as being criminal.

Q When taking over these articles, did you think or did the vice-president Puhl, tell you or at least hint to you that these gold articles might have been taken away from victims in concentration camps?

A No.

Q You didn't think of that, did you?

A No, never. On one occasion we had the name, Auschwitz, and once the name Lublin, on a slip of paper which we found. I was going to say, if I didn't say it -- but I am telling you know, that in connection with Lublin we found this remark on some packet of Bank-notes which came in to be dealt with, and were then returned to the Polish Bank for cashing in. Naturally enough, the same parcels being dealt with by the bank came back again. Consequently, here the instruction was that these couldn't be deliveries from a concentration camp, since that had come trough ordinary bank channels. The camp at Auschwitz -- well I can't say anything about that today, whether these were deliveries, whether such slips of paper were contained in those deliveries, but it is possible there were slips attached to some notes so that in the case of some foreign bank-notes they might have originated from concentration camps but there were certainly instructions according to which prisoners of war or prisoners could exchange currency into some other currency in the camp, so that through legal channels such deliveries could have occured.

Q If I understand you correctly, Witness, then, the sense, the meaning of what you just told us is that even when in 1943 you saw notes on certain things which said, "Auschwitz" and Lublin," that even then you considered the matter legal, didn't you?

A Yes.

Q Well, then, why do you say in your affidavit -- though it isn't sworn -- dated the 8th of May, 1936 -- why did you there picture the story somewhat differently? Perhaps I can read it to you, and you can tell me whether I

H0132-0067

misunderstand it or the official might have misunderstood you taking it down. First of all, it is to be assumed you considered it legal. I quote:

"One of the first indications for the origin of these articles arose when it was noticed that a packet of bills, presumably valuable" --

A They were bank-notes.

Q I see.

"--that a packet of bills were stamped Lublin."

A This occurred early in 1943.

Q "-- it could be gathered from the fact that some articles bore the stamp "Auschwitz." You are saying, "We all knew these places were the sites of concentration camps. In connection with the tenth delivery in November, 1942"-- that was earlier, wasn't it -- "gold teeth appeared, and the quantity of gold teeth grew to an unusual extent."

So far the quotation from your unsworn statement dated the 8th of May. Will you please tell us, Is this meant to be the same as you just said a little earlier or is there a difference in your opinion?

A Well --

Q Please wait a minute. (Very brief pause.) Go ahead.

A That in my opinion tallies with my statement. WE couldn't assume that deliveries which came through the concentration camp had to be absolutely illegal. We only ascertained that gradually as these supplies grew, increased. A delivery of notes from concentration camps, even, need not be illegal. It might have been some official deal. And most of all, we don't know the regulations applicable to concentration camps. It is perfectly possible that these people had the right to sell the articles in their possession or in some way raise some money.

Q Dollar notes which you have also seen in that film would hardly be sold by anybody.

H0132 - 0068

A May I point out to you that I was not of the opinion that these bank notes necessarily had to come from concentration camps. I had only said that the word "Lublin" was on some of the packets of bank notes. That might have been a pointer to the concentration camp, but it didn't necessarily mean that these particular notes would have to come from that concentration camp, and the same applies to Auschwitz. The name Auschwitz suddenly appeared. There may have been a certain suppicion, but there wasn't proof as far as we were concerned nor did we suspect that we, on our part, should now have objected to these deliveries of the SS.

Q Mr. Witness, apparently, and because of this conception of it, you didn't use the occasion to talk to Vice President Puhl or the directorate and report to them or to offer any doubts; you didn't have any cause for that?

A I told Vice President Puhl about the composition of these deliveries, and I did so a few months after the first delivery arrived. I told him about the character of these deliveries and that was known to Puhl therefore. If there were any objections to be raised in connection with these deliveries, then they should have come from President Puhl in this connection. He knew what the story was, what the connections were.

Q But you just told us earlier that the character of these deliveries didn't seem peculiar to you. You considered that it was booty. And now you think that you have pointed out to Vice President Puhl what this character was and that he might have considered them peculiarly.

A I didn't say that President Puhl must have noticed anything peculiar. All I said was that, if any objections were to be raised in this connection, then it had to come from President Puhl since he was aware of the character of these deliveries just as much as I was. And, if a suspicion did arise or had to come, then that should have taken place much more with President Puhl than with me.

Q Mr. Witness, you told us earlier that special secrecy was ordered in this connection, but at the same time you have mentioned that other affairs, other matters quite apart from this affair, other businesses, also occurred for which, apparently, special secrecy had also been ordered; is that true?

A Yes.

H0132 - 0069

Q You needn't give us any names, but I'd only like to know what other affairs, what other business was that?

A These were matters which had something to do with the conduct of the war, shall we say business, which has something to do with gold, foreign currency, and such.

Q They weren't criminal affairs, therefore, were they?

A No, not criminal.

Q Them, witness, --

THE PRESIDENT: The Tribunal thinks that this is getting too far awary from the point to ask him about other deliveries.

DR. SAUTER: Very well, but the questions are put anyway.

BY DR. SAUTER:

Q Witness, regarding this secrecy business, I would be interested, with regards to this SS delivery, to know regarding these deliveries whether they were used and when they arrived at the Reichsbank. It appears, according to documents I have, that they were always accounted for. They were accounted for by the chief cashier's department.

A Yes.

Q And to whom were these accounts sent?

A They were sent to the Reichsfuehrer SS office direct; that is to say, Melmer collected them personnally from the bank.

Q Didn't they go to any other departments?

A And then they were officially passed on to the foreign currency department.

Q To the foreign currency department, were they? That's the State Department, isn't that?

A No, it's the department of the Reichsbank which in turn is the connection to the directorate.

Q Didn't these accounts also go to the Reich Ministry of Finance?

A The liaison man, Melmer, always received three -- I beg your pardon, two accounts, in duplicate. Whether the Reichsfuehrer's office sent one copy to the Reich Ministry of Finance, that's something I don't know.

Q Were these matters treated really secretly in connection with these accounts?

A Yes.

Q For instance, when you accounted for the dealings with the

H0132 - 0070

Municipal Pawn Broker's Office?

A When we accounted for that the supply was not named.

Q Where did these gold teeth go?

A To the Prussian State Mint. They measured them down and then the gold was separated and the fine gold was returned to the Reichsbank.

Q Witness, you had said earlier -- I don't quite know at the moment when but I think it was at the beginning of '43 -- that certain articles had arrived stamped "Auschwitz". I think you said the beginning of '43.

A Yes, but I can't tell you the exact date now.

Q You are saying, "We all knew that there was a concentration camp there." Did you really know that as early as the beginning of '43, Mr. Witness?

A I know only now.

Q Yes, now we all know it. I am talking about at the time at which this happened.

A I can't say that for certain. I made that statement on the strength -- Oh, I beg your pardon; there's something I just remembered. The utilization of these deliveries was probably carried out as late as '45, and at that time something about Auschwitz had become known.

Q But you said under number 14 of your statement that one of the first clues of the source of these items, apparently originating in concentration camps, occurred when it was noticed that a parcel of paper was stamped with "Lublin". This was early in '43. And another clue could be gathered when it was found that some items bore the stamp "Auschwitz". "I've already emphasized before for a very good reason that we all knew that these cases were the sites of concentration camps." That's your statement, and I now repeat the question. Of course we all know it now, but did you as an official of the Reichsbank know, as early as the beginning of '43, that there was the huge concentration camp at Auschwitz?

A To that positive type of question I must say no, I didn't, but --

THE PRESIDENT: He did not say anything about a huge concentration camp at Auschwitz.

DR. SAUTER: No, that was a rhetorical exaggeration of mine. I said

H0132 - 0071

that we knew from the trial about the huge concentration camp at Auschwitz.

THE PRESIDENT: Did he know it? Did he know that there was a huge concentration camp in 1943? He has not said so.

THE WITNESS: I will say no to your question, but this is the point: I assumed that this slip with "Auschwitz" came from a delivery which was probably made in '43, but that it was not utilized until much later. And I am stating that after I had been to Frankfurt that the name Auschwitz was known to me, and I admit that this may be an exaggeration as far as I did retrospectively say to myself that there was a concentration camp there, you see, but I know that at the time, somehow or other, we became attached with the name Auschwitz; and I think we even asked a question about the connections; but I don't think we got an answer and we didn't ask again.

BY DR. SAUTER:

Q Well then, Mr. Witness, I've got one last question. The Prosecution have shown us the document 3947-PS today. I repeat, 3947-PS. Apparently, this is the draft for a memorandum which some department in the Reichsbank seems to have prepared for the directors of the Reichsbank. It is dated the 31st of March, 1944, and it contains the sentence on page 2 which I shall read to you because it refers to defendant Funk and the defendant Goering. This is the sentence:

"The Reichsmarshall of the Greater German Reich, the deputy of the Four Year Plan, informed the German Reichsbank, in a letter of the 19th of March 1944, a copy of which is enclosed," -- incidentally, the copy isn't in my hand -- "that considerable amounts of gold and silver objects, jewels and so forth, at the Main Office of the Board of Trustees East should be delivered to the Reichsbank according to the order issued by Minister of the Reich," -- that's the defendant -- "Funk and Graf Schwerin Krosigk. The utilization of these objects should be accomplished in the same way as the Melmer deliveries."

That's the end of my quotation.

H0132 - 0072

Defendant Funk tells me that he knew nothing about such instructions and that such an agreement or such a letter was entirely unknown to him and that he did not know anything at all about metal deliveries.

MR. DODD: I must object to the form of the question. I have objected before, and it is a long story of the answer before the question is put ot the witness. I think it is an unfair way to examine.

THE PRESIDENT: Dr. Sauter, you know, do you not, that you are not entitled to give evidence yourself? You are not entitled to say what Funk told you, unless he has given the evidence.

DR. SAUTER: Mr. President, this is not one of my witnesses. This is a witness who has volunteered for the Prosecution.

THE PRESIDENT: It is not a question of whose witness he is. You were stating what Funk told you, and you were not referring to anything Funk said in evidence, and you are not entitled to do that.

BY DR. SAUTER:

Q. I should be interested in hearing from you when you were Reichsbankrat whether you knew anything about this order which is mentioned in the lett of 31 March, which is mentioned in connection with the department of the Reichsbank. Was defendant Funk concerned with this?

A. I think I can remember that, in fact, instructions did exist which stated that gold of the Chief Trustee's Department, East, should be surrendered to the Reichsbank. I am not absolutely certain whether this document is just a draft made by the Deputy Director of the Chief Cashier's Department, made for the Directorate at the time I was there, but I am pretty certain that originally such instructions were given, but I want to point out that the Chief Cashier's Department, on the basis of orders from the Fine Gold Department, were against accepting these valuables since, technically speaking, they were not in a position permanently to assume responsibility for such considerable deliveries of all sorts. Through Funk's intervention, it was achieved later on that this instruction was cancelled. The deliveries of the Chief Trustee's Department, East, to the Reichsbank, especially of the Chief Cashier Department, did, in fact, not arrive when carried out, but I believe I am certain that originally instructions of this type, as explained in this lette did exist.

H0132 - 0073

Q. Did you read that yourself? Did you read the instructions?

A. I think that in the files of the Precious Metals Department, which are in the hands of the American Government, there will be copies of these instructions.

Q. Was that instruction signed by the defendant Funk?

A. That I can not tell you.

Q. Who else might have signed it?

A. I really can't tell you at the moment, but I would not assume that it is the case, because, if the Finance Minister's and Goering's orders are referred to, who were superior to Funk, then there must be some other department that signed.

DR. SAUTER: Mr. President, I have no further questions.

MR. DODD: May I ask one or two questions on re-direct?

THE PRESIDENT: Yes.

RE-DIRECT EXAMINATION

BY MR. DODD:

Q. There wasn't any exaggeration about the fact that you did find a slip of paper with the word "Auschwitz" written on it among one of these ships, was there?

A. No.

Q. Now, I suppose you found lots of things among these shipments with names written on them. There must have been something that made you remember "Auschwitz", isn't that so?

A. Yes.

Q. Well, what was it?

A. I must assume that I now recollect that there was some connection to a concentration camp, but I can't say. I am, maybe, of the opinion that it must have happened later.

Q. Well, I don't care to press it. I just wanted to make perfectly clear to the Tribunal that you told us that you did remember "Auschwitz", and it had such a meaning for you that you remembered it as late as after the surrender of Germany. That is so, isn't it?

H0132 - 0074

A. Oh, yes.

MR. DODD: I have no further questions.

BY THE TRIBUNAL (Mr. Biddle):

Q. You said there were about 77 deliveries, is that right?

A. Yes, there were over 70.

Q. How large were the deliveries? Were they in trucks?

A. They were different. Their size was different. Generally they arrived in ordinary cars, but sometimes they arrived in lorries. When there were banknotes, they the size was smaller and the weight was lower. If there was silver, silver articles, then, of course, the weight was high, and a small lorry would bring it.

Q. There were several lorries, or trucks, in each delivery, usually?

A. No, they weren't that large. There were, amybe, on the outside, one truck.

Q. One other question: Do I understand you to say that these articles were transferred to new containers?

A. Yes, they were put into ordinary bags by the Reichsbank.

Q. Bags, marked with the Reichsbank's name on the bag?

A. Yes, on which the word "Reichsbank" was written

THE PRESIDENT: The witness can retire.

(EMIL PUHL, a witness, resumed the stand and testified further as follows)

THE PRESIDENTL Now, Dr. Seidle, do you wish to ask the witness Puhl some questions?

Witness, you remember that you are still on oath?

A. Yes, sir.

DR. SEIDL: Counsel, Dr. Seidl for the defendant Goering.

DIRECT EXAMINATION

BY DR. SEIDL:

Q. Witness, in connection with Document 3947-PS, USA 850, I have to put a few questions to you.

H0132 - 0075

You heard earlier when the witness Toms was asked questions that in this letter there is contained a paragraph which refers to the Reichsmarshall Goering and which is connected with the Chief Trustee's Department, East. Is it true that this Chief Trustee's Department was a department which had been established by a law in the Reich and that its right to confiscate had also been settled by a Reich law?

A. I can not answer the second part of your question just like that. I am not a legally trained man. The Board of Trustees, East, was actually, was officially established; whether by a decree or by a law, that is something I can not tell you at the moment.

Q. According to what you know, did the Board of Trustees, East, have contact with the SS Economic Department? Did they have anything to do with each other?

A. I have never observed that.

Q. Is it apparently out of the question, at least when you read the letter, that the Board of Trustees, East, and its deliveries could in any way be connected with the Melmer action?

A. That very probably is so.

Q. You mean there was no connection?

A. That is right, that there was no connection.

H0132 - 0076

Q You mentioned this morning that in connection with the business of the Reichsbank, the Reichsbank did not like to have to do with cases of Customs Investigations and the Currency Control Department. The part of this letter which refers to the defendant Goering contains a sentence which refers to the utilization of objects which originated from the occupied western territories. Is it true that, particularly in the occupied western territories, both the Currency Control Department and the Customs Investigation Department had their officials?

A The total of the values which were brought in by those two service departments is unknwon to me. I would doubt that they were considerable, unusual, but they were fairly large sums, mostly, of course, of foreign currency.

DR. SEIDL: I have no further questions to the witness.

THE PRESIDENT: Mr. Dodd, do you want to ask him anything?

CROSS EXAMINATION

BY MR. DODD:

Q After having heard Mr. Toms' testimony, do you wish to change any of your testimony that you gave this morning?

A No.

Q And your affidavit that you gave under oath, do you wish to have it remain as it is?

A Yes.

MR. DODD: That is all I have.

BY THE PRESIDENT:

Q Do you know who Kropp, who signed under the word "Hauptkasse" in the letter of 31 March 1944, 3947-PS, is?

A Mr. Kropp was an official of our Cashier's Department. He had a comparatively leading position.

Q Of which department?

A The Cashier's Department.

THE PRESIDENT: Thank you. The witness can retire.

THE PRESIDENT: Dr. Siemers.

H0132 -0077

DR. SIEMERS (Counsel for defendant Raeder): Grand Admiral Raeder, will you come up to the witness stand?

(ERICH RAEDER, a witness, resumed the stand and testified further as follows.)

DIRECT EXAMINATION

BY DR. SIEMERS:

Q May I remind you that I put the principal question whether the reconstruction o the navy was to serve aggressive or defensive purposes.

The witness wishes to answer that question by referring to parts of the the speech he made in 1928. It is Raeder Exhibit Number 6, Document Book I, page 15, and the speech, as such, begins on page 17.

Will you go ahead.

A First of all, I want to say that Minister Severing, whom I have asked for as one of my witnesses, brought this speech along on his own free will, since he still remembered it from the year 1928.

DR. SIEMERS: This becomes apparent from page 16 of the document book. It is Raeder's letter to Minister Severing, dated October 8, 1928, and Severing sent this speech to me when he came to Nurnberg to appear as a witness.

A I shall quote from page 17, the fifth line from the bottom, and make the sentences shorter for the interpreters:

"The Armed Forces -- I am speaking of course primarily for the Navy, but I know that it is not different in the Army -- since after 1919, its inner solidarity and penetration has been perfected with the greatest devotion and loyalty to duty, in its present structure, whether officer or soldier, in its present form of development and its inner attitude, is a firm and reliable support, I dare say -- even on the basis of its inherent military might -- with respect of conditions within the Reich -- the firmest and most reliable support of our German Fatherland, the German Reich, the German Republic and its constitution and that the Wehrmacht is proud of the fact to be just that."

I then turn to page three, and it is the sixth line:

"If, however, the State is to endure, this power must be available only

H0132-0078

to the constitutional authorities. No one else may have it; that is, not even the political parties; the Wehrmacht must be completely nonpolitical and be composed only of servicemen who, in full realization of this necessity, refuse to take part in any activity of domestic politics. To have realized this from the outset and organized the Wehrmacht accordingly is the great and enduring achievement of Noske, the former Reichswehrminister, whom the worthy Minister Dr. Gessler followed, on this road with the deepest conviction."

Then I talk about the composition of the navy, and then on the fourth page I continue, on line 7; perhaps this is the most important sentence:

"In my opinion, one this is of course a proviso for the correct attitude of the service man, namely that he is willing to put his profession into practice when the Fatherland calls upon him. People who never againwant war cannot possibly wish to become soldiers. One cannot blame the Wehrmacht for imparting to its service men a manly and warlike spirit, not the desire for war or even a war of revenge or a war of aggression striving after which, in the general opinion, would certainly seem a crime of all Germans, but the will to take up arms in the defense of the Fatherland in its hour of need."

Then I pass on to the last paragraph on page four. "It must be understood -- for it is in accordance with the essence of the Wehrmacht -- that it is important to be as far as possible in a position to fulfil its tasks, even under the conditions today, dictated by the Versailles Treaty."

I then refer to the tasks of that war navy and that is on page five, second paragraph, line six. "Just picture the extent of the German coast-line in the Baltic and North Sea, chiefly the Prussian coastline, which would be subject to attacks and ravages of even the smallest maritime nations, had we not at our disposal modern maneuverable naval forces at least up to a strength permissible by the provisions of the Versailles Dictation. Above all, think of the position of East-Prussia which in the event of a shutting down of the Corridor would wholly rely on overseas import, an importation which would have to by-pass directly bases of foreign nations and in the event of war would be endangered to the utmost, or even be made impossible, if we wer not in possession of fighting ships. Further bear in mind reports about the

H0132 - 0079

effects of visits of our school-ships and our fleet in foreign countries, according to which already in 1922through the model conduct of shipscrews an improvement of internal conditions of the Reich was deduced and the esteem of the German Reich thus helped considerably..." So far, that speech.

THE PRESIDENT: Since you are passing from that now, we might perhaps adjourn.

(A recess was taken.)

H0132 - 0080

BY DR. SIEMERS:

Q We have just seen from your speech that as early as January, 1938 you used the sentence before the Kellogg Pact. In conclusion, I should like to ask you, did this principle of January, 1928 remain your principle during the whole time of your command of the Navy?

A Of course.

DR. SIEMERS: In connection with the Versailles Treaty, I should now like to submit an affidavit, because some figures are necessary here, which it is easier to submit in writing than by interrogation. I shall turn to Affidavit II, Raeder No. 8, document book 1, Page 39.

For the orientation of the Tribunal, so that there may be no misunderstanding, I should like to point out that Vice Admiral Lohmann has nothing to do with the captain Lochmann, who was well known, almost famous, in the 20's. The Tribunal may remember that the Lohmann affair was mentioned in connection with the breaches of the Versailles Treaty. Captain Lohmann at that time died in 1930, and has nothing to do with the author of this affidavit, Vice Admiral Lohmann.

I now remind the Court that the Lohmann affair took place before Admiral Raeder was in charge of the Navy. It was already concluded in 1928.

I quote from the affidavit of Lohmann under Roman numeral I.

THE PRESIDENT: Are you wanting to callthis Admiral Lohmann as a witness?

DR. SIEMERS: No, I did not name him as a witness, as he was satisfied with the affidavit. Because of the many numbers, the British prosecution delegation agreed to turning in the affidavit, but asked that Admiral Lohmann might be cross-examined. And that was arranged with me.

THE PRESIDENT: I see, yes. You do not need to go into all these figures of tons, do you? You do not need to read all these, do you?

DR. SIEMERS: I do not want to read the individual figures. I would like to point out that this is not the affidavit about Doenitz; this is Raeder No. 8, Page 39.

THE PRESIDENT: Yes,; I have the one. There are a good many tons in it, though.

H0132-0081

DR. SIEMERS: I should like to read under Roman numeral "I":

"Under the Versailles Treaty, Germany was permitted to build 8 armoured ships."

"Germany, however, built only three armoured ships, the 'Deutschland', the 'Admiral Scheer', and the 'Graf Spee'.

"2. Under the Versailles Treaty, Germany was permitted to build 8 cruisers. Germany, however, built only 6 cruisers." I shall omit the details.

"3. Under the Versailles Treaty, Germany was permitted to build 32 destroyers or torpedo boats. Germany, however, built only 12 destroyers and no torpedo boats."

BY DR. SIEMERS:

Q According to this, in building up the navy, Germany in no way exhausted the possibilities of the VersaillesTreaty. It specifically omitted the construction of the larger ships. So I ask for your opinion.

A That is correct. It is astonishing that the Versailles Treaty in this period of time was used so little. I was reproached for this when the National Socialist Government took power. It was not considered, however, that the government at that time, and the Reichstag, were not of a mind to improve these ships. We had to fight for this permission to build up the Navy.

This has no relationship to the small breaches of the Versailles Treaty, which we were permitted primarily in order to make a pitiable defense of the coast in extreme emergency.

Q I shall come back to Document 332. It is established that during the time of the Versailles Treaty, Germany did not take advantage of the provisions of the Treaty. On the other hand, on the basis of the documents submitted by the prosecution, it has been shown that the Navy committed breaches of the Versailles Treaty in other connections. The individual breaches were given with great precision by the prosecution.

First, I should like to discuss the general accusation that these breaches were committed behind the back of the Reichstag and the government. Is this accusation justified?

H0132 - 0082

A Not at all. I must repeat that I was not connected with these breaches. First, on the first of October, 1938, I became chief of the Navy Command in Berlin. But since it was done previously, I had nothing to do with it. Then I came to Berlin. The Lohmann case which you mentioned previously had already been concluded. It was in the process of being liquidated. And the Reich defense minister Groener, when the affair was first discovered, ordered the army as well as the navy to report to him all breaches which were in process, and from then on he would discuss these things with Colonel von Schleicher. He liquidated the Lohmann affair, and this liquidation was still in progress when I came there.

On the 1st of October, 1928, he had already come to the decision to assign the responsibility for all these breaches of the Versailles Treaty to the Reich government as a whole, then the Mueller-Severing-Stresemann Government, since he believed that he could no longer bear this responsibility.

As a result, until 18 October, when I had just become acquainted with these matters, the chief of the army command, General Heil, and I, as well as some office chiefs in the administration, were called to a meeting, and at that cabinet session all the ministers were present. General Heil and I had to report openly and completely as to what breaches were undertaken by the army and the navy.

The Mueller-Severing-Stresemann Government took this responsibility fully, and removed the responsibility from the Reich defense minister, who, however, continued to be responsible for the execution of things. Everything which happened in the future we had to report to the Reich defense minister, and were not allowed to undertake any steps alone.

The Reich defense minister, as a rule, discussed the matters with the Reichsminisminister of the Interior, Severing, who showed great understanding for the various necessities.

Q At this cabinet session, you and General Heil as chief of the army command, gave a list of the individual breaches?

A Yes.

Q And thereupon the government told you, "We will take the responsibility"

H0132 - 0083

A Yes.

Q Did you then correspondingly in the following years always act in agreement with the Reich government?

A Yes; the Reich defense minister Groener was extremely sensitive on this point. He insisted that he should learn everything and should approve everything. He thought that only in this way could he take the responsibility. I had nothing whatever to do with the Reichstag. The military chiefs were not allowed to have any contact with the Reichstag or its members. Any contact with the Reichstag was through the Reich defense minister or by Colonel von Schleicher on his behalf.

I was in no position to go behind the back of the Reichstag in any way. I could talk about the fact with the Reichstag members only in the so-called budget committee, where, aside from the Reich defense minister, I was sitting and had to comment on his statements.

Q From 1928 on, then, from your time on, there were no longer any secret departments within the construction program of the navy without the approval of the Reich government?

A Without the approval of the Reich government, and, above all, of the Reich defense minister.

H0132-0084

DR. SIEMERS: May I ask the Tribunal in this connection, from Raeder Exhibit No. 3, Document Book I, page 10, please look at Article 50, It reads:

"In order to be valid, all decrees and orders issued by the Reich President, including those pertaining to the Armed Forces, must be countersigned by the Reich Chancellor or the competent Reich-Minister. By the act of countersigning, responsibility is accepted."

The constitutionaly principle upon which this military order was issued existed in October 1928. An important part of the construction of the Navy was that the old line ships from the former war were to be renewed.

In this connection, I submit to the Tribunal Raeder Exhibit No. 7, Document Book Roman Numeral I, page 23.

In this document it also calls for the ship replacement construction plan.

The ship construction replacement plan is, as page 24 of the Document Book shows, under paragraph No. 2. It at first was submitted at the suggestion of the Reichstag, and then I might point out on page 24, #3, it shows that this hip construction replacement plan refers to three armored ships, and it is added that the construction could last until 1938. This figure is important, as the Prosecution will note, that in 1933 the Construction Plan was set up until 1938, in order to deduce a plan for attack.

Under the ship construction replacement plan from 1933 to the same time period, 1938, which, as the prosecution will admit, can have nothing to do with a war of aggression.

Q. The submission of the plan was through the Reich Government and you did the work, the preparatory work?

A. Yes.

Q. Is this only true of the ship replacement plan for 1938, or was it always handled in the same way in subsequent years?

A. The plan as submitted was true basically of the Reichstag. Each individual ship, however, had to be included in the budget plan of the year in which the construction was to begin and had to be separately approved. The whole construction program was thus in close agreement with the Reich Government and the Reichstag.

H0132 - 0085

DR. SIEMERS: From this ship replacement program in connection with the Document I should like to point out two points which will greatly shorten the questioning of the witness.

On page 26 I should not like to quote but to make comment by only pointing out that the great age of all the ships and all the liners referred to, which necessitated replacements, necessitated a ship replacement program.

On page 27 of the Document Book, it expressly mentions that the Reichstag in it's 89th session of 18th June, 1929, asks the Reich Government for an extension of the construction program. The general opinion at that time is that, as the ship replacement program shows, set down in the Frankfurter Zeitung Title of 15 August 1928, and the Frankfurter Zeitung points out that an armored cruiser gains its full value only as a member of a squadron. The Frankfurter Zeitung was the best German newspaper and only in 1943 during the war it was forbidden, when the National Socialist Dictatorship became worse and worse.

I should like to point out on page 29 and quote one sentence:

"The building of the battleships will be stretched out over a long period of time, so as to have the Navy wharf Wilhelmshaven occupied continuously. The ideal time of construction is about three years."

The purpose of stretching it out as long as possible was to have occupation as long as possible.

I believe this shows there was no aggressive intention, since then the building program would have been hastened.

Then on page 30, the construction cost of an armored ship at that time, having a tonnage of ten thousand tons, was about 75 million marks.

This figure is important as evidence in view of the further course of the testimony, where the value of the breaches of the Versailles Treaty will be shown, and finally on page 30 may I quote a few lines from the plan of the militarization of the Wehrmacht. I quote:

"For the Wehrmacht and the German Reich to defend its borders and protect it's peace, and since the German Republic as the only one of the great powers carrying out it's armament, the following possibility had to be taken into consideration: The employment of the armed forces as a defense against armed

H0132 - 0086

territories, and as a defense against neutrality."

I should like now to go over to the individual breaches of the Treaty which the Prosecution brought up.

In this connection, I submit Raeder Exhibit I in Document Book

H0132-0087

I, page 1, and refer to page 3, Article 191. It is a question of the acquisition by Germany contrary to the Versailles Treaty and of the construct- of submarines. Article 191 reads and I quote:

"The construction and acquisition of all submersibles, even for commercial purposes, is forbidden to Germany."

In regard to establishing the fact that the Navy examined the ship construction of submarines in Holland, and was interested in a general ship construction program and of submarines which were being constructed in Holland, in order to save time again it will be simpler if I refer to the affidavit of Vice Admiral Lohman, Roman NumeralI in Document Book I, page 4, Raeder Exhibit No. 2.

I shall read the short paragraph under Roman Numeral I:

"According to the Treaty of Versailles, the German Reich was neither to build nor to acquire U-boats. When in July, 1922, the firm N. V. Ingenieurs Kantoor Voor Scheepsbouw was established in the Hague, the Navy acquired an interest in it in order to keep informed on U-boat construction. The intention was to make use of the experience gained thereby in the German Navy, when later on conditions of the Treaty of Versailles would be annuled by negotiation, and Germany would be again permitted to build U-boats. Moreover, the navy wanted, for the same purpose, to train a small nucleus of skilled personnel."

The Dutch firm was strictly a construction bureau.

Mr. Tribunal, I should like to point out at this point there is a translation mistake in the English copy. The word "Konstruktion" has been translated "construction", and construction means "Schiffsbau" in German. It was not a construction bureau. As far as I know "Konstruktion" must be translated "design".

Since in view of Article 191 this point is important, I want to set it right.

H0132 - 0088

I quote:

"The first German U-boat was commissioned 29 June 1935. The program of parts to build U-boats had started correspondingly earlier."

I wish to remind you that at the commissioning of the first submarine, the German-English fleet agreement was already in existence at that time. I will ask if this statement of Admiral Lohmann is correct.

A Yes. It corresponds with the facts.

Q Then I come to Prosecution document 441, U.S. 47. This is in document Book Raeder, Document Book 10, on page 22 in the numbers of the British Delegati This is your letter of the 10th of February 1932 in regard to torpedo armament of the S-boats, the speed boats.

THE PRESIDENT: Is this in Document Book 10-A or 10?

DR. SIEMERS: Document Book 10. The old document book.

THE PRESIDENT: My pages are wrongly marked somehow. It is all right.

DR. SIEMERS: Please excuse me. That is how the figures were given to me.

THE PRESIDENT: It is correct in the other members' books.

BY DR. SIEMERS:

Q The torpedo armament of speed boats was not expressly permitted in the Versailles treaty. For that reason, you are accused in this connection. Did this involve only the 5 speed boats mentioned in this document?

A Yes. There were 5 boats which we used as patrol boats in the ship replacement program which we had demanded in the program, which in themselves had no armament.

Q How big were these boats

A Not bigger than 40 tons, perhaps smaller.

Q Were more boats of this type built during the Versailles Treaty?

A I cannot say with certainty. In any case, we had no armed boats in addition. Of course, what is what I mean. It was so that we had 12 plus 4, or 16. We were allowed to build 16 torpedo boats. A torpedo boat of 200 tons could not be produced at that time because of the question of the motors and the question of navigability. For that reason, we did not build these torpedo boats. We kept a number of quite old torpedo boats from the beginning of the century. We kept them in the service in order to be able to train crews with them. We could not fight with these boats any more. But during this time we could not replace these boats

H0132 - 0089

we wanted to have some small boats capable of action even if small, which if the Baltic was blocked off could be of use. I ordered that these torpedo boats should be arranged for that purpose, should have torpedo tubes on board. In '32 when we hoped that at the disarmament Conference we might make some progress, in order not to have breaches of the Treaty to make our situation worse, I had one boat armed at a time in order to test out the armament, and then I had the armament dismounted again so that there was only one boat available with armament at any one time.

We planned to put the torpedo tubes on board the speed boats only if the control and political sistuation after the disamament conference would permit.

I answer that in Number 3 in the concluding sentence.

Q I may state then that these 16 torpedo boats with 3,200 tons only, you were allowed to construct?

A Yes.

Q And instead, you built only 5 torpedo boats with 200 tons. In the last analysis then, if the accusation accused that you were not including these 5 torpedo boats, you were not doing anything secret but you wanted to discuss it with the control commission at the proper time.

A Yes.

Q Now I come to the extensive document in regard to breaches which the Prosecution submitted, Document C. 32, U.S. 50. The document is in Document Book 10-A, Page XX 8; in the new document book of the British Delegation. This list includes all breaches dated 9 September 1933. The Prosecution justly points out that this confimation is very thorough. The Prosecution presented it just as thoroughly, although I believe I can prove that they are in the last analsis small matters; but I am forced to answer these accusations which were brought up in detail.

Breach Number 1: Exceeding the permitted number of mines, in Column 2 in the Versailles Treaty; and by the commission 1,565 mines were permitted, but we owned 3,675 mines. That is 2,000 mines too many. Please tell the Court what the significance of this is -- which is doubtless true.

A I should like to say in advance that this list was prepared for our Navy representative at the Disarmament Conference, so that if this thing should be mentioned he could give them an explanation. That is why it was so explicit, over

H0132 - 0090

though most of the things it contains are of minor importance. I should like to add to what I said previously as regards Poland. In view of the political situation at that time we had to fear that the Poles, if they should under take an invasion of our country, would have certain support from the sea -- or could have certain support from the sea, by France. Since ships at that time often visited the Polish port of Gdynia through the Baltic entrance, Baltic front, they could proceed against our ports. For this reason the defense of the Baltic entrances by mines played an important role. For this reason, we undertook this breach of the Treaty in order to be able at least to protect the Baltic -- block the Baltic entrance at the narrow points; which was of course possible only for a certain time. With these mines only a stretch of 27 sea miles could have been blocked. A part of Danzig or a part of the belt could have been blocked.

In this mine blockade several rows are laid, the only kind which could be effective for any length of time. This only was a security defense, but still they exceeded the number of mines permitted from the war supplies still availabl

H0132-0091

Q Just now in the calculation of the 27 sea miles you included the total amount which Germany had at that time, not just the amount which was exceeded that which was permitted?

A Yes, the total.

Q And then I should like to have an approximate comparison. It was said, for comparison, that the British in the First World War in the North Sea laid about 450,000 to 500,000 mines. Do you recall if this number is approximately right?

A Approximately it may be right. I cannot say exactly from memory.

Q I believe that is all right just to get the picture of the size.

A second small question now. Is it true that the Luftwaffe Reichsmarshal Goering in mining English harbors in one action alone used thirty to fifty thousand mines?

A I have so heard.

Q Then, there is a second point.

"Continuous storing of guns from the North Sea area for Baltic artillery batteries."

This involves 96 guns, only six of which are of large caliber, ninety of smaller caliber.

What can you say about this breach of the treaty?

A This is quite a small breach. There were a comparatively large number of guns on the North Sea coast. On the other hand, the Baltic coast was comparatively bare of guns since we wanted to retain free entry to the Baltic for we had great interest in blocking off the Baltic. For this reason we laid gun barrels which belonged in the North Sea but which had been brought to the Baltic for repairs. We stored them in the Baltic area for a long time in order to be able to set up these guns on the Baltic coast in case of attack. The North Sea had many guns and it was much easier to defend than the Baltic coast.

Q In practice it only meant moving them from the North Sea to the Baltic coast.

Then under figure 3, non-destruction of guns, a total of ninety-nine guns are mentioned, the ten largest being 28 centimeters were actually

H0132 - 0092

destroyed. Please comment on this.

A When we acquired new guns, for example for the armored ship "Deutschland", six 20 dentimeter guns were constructed or for the "Deutschland" and the cruisers forty-eight 15 centimeter guns were constructed, and so forth. We then had to scrap a corresponding number of old guns. Ten of this number were actually scrapped. All the guns were turned over to the army for scrapping and we received a receipt for them, saying that the guns had been scrapped. We learned, however, that the army had not in fact scrapped the guns. But aside from the ten 28 centimeter guns it used them for the army for fortifications to be built in case of attack since the army had no such guns at all.

Q I should like to make the time clear. This must have been a breach of the treaty which occurred long before the time you took office as chief of the navy command.

A This happened between 1919 and '25 for the most part. In any case I had nothing to do with these matters.

Q Number 4 is very simple.

"Deviation from the places settled by the Entente for the disposition of coastal batteries."

A Previously, up to the World War, especially the heavy batteries and the middle sized batteries were placed very close to each other. In the batteries the guns were placed very close to each other. According to our experience from the World War the heavy and medium sized guns within the batteries were placed further apart so that a single hit would not destroy several guns at once. For this reason we loosened up these heavy and middle batteries and moved the guns a little further apart. For that reason they were no longer in the places they had been at the time of the treaty. Otherwise nothing was changed.

Q Were these things not necessarily approved by the Control Commission because they were purely technical?

A I cannot say, I never took part in the negotiations.

Q Under number 5 there is involved the laying of gun-platforms for artillery batteries and the storing of flak ammunition.

H0132-0093

In column two there is again the question of changing to a different place then allowed by the Entente. Is the same thing true as to this as you said about number 4?

A No, not completely. We were glad to put the flak batteries, we wanted to put them where they were particularly useful and could be used, while the Commission did not want to have them at these places. As a result we left the flak batteries where they were but at other points we prepared so-called gun-platforms or provisional platforms so that in case of attack from any enemy we could set up the flak guns in order to use them most effectively.

Q This is only a question then of platforms for a flak battery, only the foundations for a defense?

A Yes, only foundations.

Q Then comes number six:

"Laying gun-platforms in the Kiel area."

A The Kiel area was especially bared of cannon because the advance through to Kiel was to be as unarmed and unhampered as possible. For this reason the setting up of guns in the Kiel area was especially forbidden and in order to be able to set up some guns in a hurry in case of necessity gun platforms were prepared there also.

Q The next point the Prosecution gives comes under number seven.

"Exceeding the calibre permitted for coastal batteries."

Coastal batteries would show as a defense but it was brought up as an accusation.

A It says here that instead of three 17 centimeter -- rather instead of six 15 centimeter, three 17 centimeter guns were built. Of course, it is deviation insofar as the guns were to stay there but there can be some doubt raised whether these six 15 centimeter guns might not have been better along the coast than the three 17 centimeter guns; that they are numerically less than permitted.

Q Instead of six it was only three and the calibre was increased by two centimeters.

Then comes number 8, the arming of all mine-sweepers.

A There were the old mine-sweepers which in case of attack off the

H0132 - 0094

Baltic and for the purpose of finding mines and as mine-blowing aids, which we wanted to lay at the entrance of the Baltic and which were to be controlled by them and defended against light enemy forces. For this reason we gave them each one 10.5 centimeter gun and one machine gun C-30.

Q The minimum armament in practice?

A Yes.

Q Number 9 can be quickly settled.

"Arming of six E-boats and eight motor mine-sweepers."

The six E-boats were discussed in the document C-141.

Number ten:

"Setting up practice flak batteries."

Is that a breach of the treaty?

A Yes, it was a flak battery. It was only because near the garrisons where there were barracks we wanted an opportunity for practice exercises. That is why we set up these batteries near barracks. There was no intention of using them in this place for defense. It was only a matter of expediency for training.

Q Then comes number 11.

A The individual cases are becoming more and more ridiculous. Take 23.

Q I am sorry, but I must give you this trouble, Grand Admiral, because I believe it is necessary, since the prosecution read almost all these items.

A Friedrichsort is the entrance to Kiel. If enemy ships enter they salute there; the salute must be answered. Two 7.7 centimeter field guns had been approved, which had been rendered unserviceable; one could shoot only with absolute cartridges. We considered it expedient, since there was a battery foundation available there, that instead of these 7.7 centimeter guns we set up four 8.8 centimeter flak guns.

THE PRESIDENT: The Tribunal will adjourn.

(The Tribunal adjourned until 16 May1946, at 1000 hours.)